Soviet device at heart of Star Wars gun, Page 6

Philippines regime

Monday February 24 1986

World news

#### Iran and UK plan Iraq claim to tax dominance financial in fighting services

Iraqi armed forces said they had re-gained ground on the Iranian-sidering imposing a tax on all finan occupied Faw peninsula in a drive to cut off much of the invading for-ce in Iran's latest war offensive. But Iran claimed that its troops had thrown off Irag's counter-at-

tacks and said it was moving on the Iraqi naval base at Umm Qasr. The importance of Iraq blunting the Iranian offensive was pointed up by a visit to the war front by Iraqi President Saddem Hussein. Page 4

Hussein's anger at US Jordan's King Hussein said the US had terminated a 30-year military relationship with President Reagan's decision not to proceed with a \$1.9bn arms sale that included air-

Nato role attacked Groups opposed to Spain's member-ship in Nato staged a protest de-monstration that drew thousands of people to central Madrid. Polls indieated that the opposition could win sue. Page 3

#### Israel calls off hunt

Israel ended its unsuccessful search for two soldiers taken captive a week ago and pulled back troops and armoured columns that had ranged beyond their "security zone" along Lebanon's southern border.

#### Independence call

A parliamentary leader in Bermuda introduced a private hill calling for a referendum on independence for the UK colony. It coincided with a budget containing tax increases on property, cars, fuel and tourism.

brging that they be allowed to join their spouses in the US.

#### South Africa blast

A bomb damaged a post office and three shops in the white Pretoria suburb of Meyerspark and a mob of 500 blacks went on a rampage in the eastern Transvaal province which had been virtually untouched by recent violence in South Africa.

#### Garcia rally rocked

A bomb exploded outside a bank in Trujillo, Peru, about 150 yards from where President Alan Garcia was addressing a rally of his political party. No injuries were reported.

#### Probe in Sri Lanka

The Sri Lankan Government said it would hold an inquiry into an alleged massacre at Langala, where troops reported killing 40 Tamil group. Page 17 guerrillas. Other reports said 80 civilians were killed. civilians were killed. -

#### **Voodoo warning**

Leading voodoo priest Max Been-voir said the new regime in Haiti was encouraging a bloody religious war by siding with Roman Catholics and condoning attacks on Voodoo adherents

#### Jockeys grounded Stewards of the Royal Hong Kong

Jockey Club extended the suspen-plan.
sion of 11 jockeys and a trainer as EASTERN Air Lines received racegoers flocked to the Derby Day meeting despite a race-fixing probe.

#### Slide buries house

A mudshide triggered by days of CONSTANTIA, one of Austria's higheavy rain in Italy, flattened a gest private industrial groups, will house in Palma Campania, near Nahave its shares offered on the Vienples, leaving three known dead and na bourse today. Page 17 five other people missing.

#### Schoolgirls drown

A school picnic in western India ended in tragedy when 12 girls and three teachers drowned in the Meshva river near Shandail after their boat capsized. Only three girls managed to swim ashore.

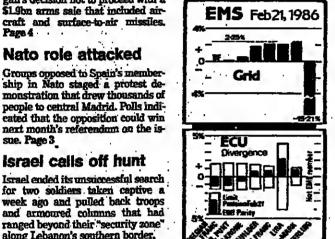
No. 29,863

THE BRITISH GOVERNMENT IS COnsidering imposing a tax on all financial services handled by the country's banking system, ranging from simple cheque payments to international transactions, as part of its Manach bushamed.

March budget.

Among difficulties the plan faces is an EEC law preventing the imposition of any form of value added tax on financial services. Page 8

EUROPEAN Monetary System: There was very little change last week. The Belgian franc and Irish punt were weak, but not under pressure, while the D-Mark re-mained the strongest currency. The Dutch guilder improved, but the



French franc eased slightly. High Eurofranc interest rates continued to support the French currency. A realignment of the system is still expected after the French elections on March 16, although it has been suggested falling oil prices will help some of the weaker economies, and

tem, defines the cross rates from rahich no currency (except the lira) may move more than 2% per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currency of the currency

NICERIA is expected to begin soon talks with creditors on rescheduling around \$7bn in medium and longterm debt. Page 14

MEXICO is to introduce daily oil price fixing linked to spot market movements, in an attempt to main-tain its share of oil exports. Page 3

MIDLANTIC Bank agreed to acquire fellow US bank Continental Bancorp of Philadelphia in a stock swap valued at \$680m. Page 15 VOLVO, Swedish diversified motor

CONRAD BLACK, Canadian financier who has taken control of London's Daily Telegraph newspaper, is selling his 41 per cent interest in Norcen Resources, the Calgary energy group. Page 17

COMSAT, US international satellite group, made a \$41.5m net loss last year after taking pre-tax charges of \$120m, mainly used for two pow-erful satellites for the unsuccessful Direct Broadcasts Satellite (DBS)

buy-out offer, Frank Borman, chair-man, told a special employees' meeting. The airline is beset by fi-nancial problems and strike

OTIS ELEVATORS has bought 70 per cent of the lift operations of Valmet, Finland's state-owned engi-

neering group. Page 17

ARTHUR SCHMIEGELOW of Pri-ARTHUR SCHMIEGELOW of Privational Schmiegelow of Privation of the Association of International Bond Dealers. Page 15 group.

2400m of cash on its books from the ever, to the merchant bank dominating the combined company.

Mr Christopher Reeves, Morgan's chief executive, said: T am sure

Lex, Page 14; Analysis, Page 9

### digs in as revolt gathers strength A FURIOUS President Ferdinand uncovered a plot to stage a coup Marcos clung to power yesterday as d'état and assassination attempt growing popular resentment on Ma-against him, in which Mr Enrile nila's streets frustrated his atand Gen Ramos were not involved. tempts to put down a military Mr Marcos produced three officers

Ramos, deputy chief of the armed forces. Both said Mrs Corazon Aqui-

The weekend's events, bringing an awesome and unprecedented display of "people's power," threatened to make the country virtually ungovernable under Mr Marcos. But the Philippines leader refused again to stand down last night and instead threatened to launch an artillery onslaught to deal with the "rebellion."

Speaking on nationwide television for the second time yesterday the 68-year-old Philippines leader accused Mr Enrile and Gen Ramos of trying to grab power for them-selves. If they did not negotiate, he warned them, "then let the blood of those who will die in a confrontawho read confessions on television, "plain rebels" who would be "dealt

with as such." There was a "new power group" no was the rightful winner of the trying to "grah power by coercion disputed February 7 presidential and intimidation," be alleged. Mrs Aquino, business interests and the military were represented, all un-der Mr Enrile. But, he claimed, he had the power to eliminate the rebellion any time.

"We'll wipe them out," with tanks and artillery, he said. "If they think I am sick, I may even want to lead the troops to wipe out this Enrile Ramos group. I am just like an old

Mr Enrile and Gen Ramos, apparently sure of their position, said several commanders at different levels had pledged support. Last night they added that two officers in Mr Marcos's powerful Presi-dential Security Command had defected because they had been asked

ordinary soldiers would obey Mr Marcos's orders to attack them if this meant hurting civilians. But many key figures - especially cabi-net members and officials - kept a public silence.

The revolt was led by Mr Juan but by last night he was lashing out To concentrate their forces both Ponce Earile, until now Minister of at Mr Enrile and Gen Ramos as National Defence, and Lt Gen Fidel "plain rebels" who would be "dealt sconced inside Camp Crame. the headquarters of the Philippine Constabulary, Gen Ramos's service. They have about 5,000 men, mostly armed with light weapons. Some were seen yesterday making molotov cocktails in preparation for an armoured ettack

Late last night Gen Ramos appealed to officers and men grouping near Camp Crame to put down their

arms and join him. Cardinal Sin, Archbishop of Manila, made a special plea to the armed forces not to use violence and, in a general eppeal, asked peo-ple not to lose courage. The dawn

of a new day is before us," In the afternoon a heavily armoured column of marines heading for the two camps had to turn back after finding its way blocked by a mass of human hodies, buses, rocks

Background to crisis, Page 2;

### Reagan urged to tell Marcos to step down

SENATOR RICHARD LUGAR, in- The next US move may not come,

The senator's comments on American television followed the publication on Saturday of an extraordinary statement from the White House which went much further than the Administration had done before in effectively disowning the Marcos regime. It was promptly interpreted as a message of thinly veiled support for the two military leaders, Defence Minister Juan Ponce Enrile and Lt Gen Fidel V. Ramos, who have rebelled against President Marcos.

The White House statement said with a growing insurgency and a inte troubled economy. by.

fluential chairman of the US Senate however, until the return of Mr Phi-

tary, and returning emissary Mr fraud on both sides.
Philip Habib were reportedly to Asked yesterday meet yesterday afternoon at the White House to discuss the Philippines was at an historic turning point, Senator Lagar said:
"President Marcos must come to

terday, President Marcos threat- deat arrived at yesterday ... that it ened to use military force to over- is difficult to see how this regime come the military revolt. He care-can continue and be ought to step fully ducked the question of down." Asked if the US could have President Reagan asked him to de-scribing the US President as his friend and suggesting Mr Reagan sponded Your logic is impeccable. He charged that the military leaders which the US sees as crucial to the

US concerns about the manner of President Marcos' departure are insuggested falling oil prices will help some of the weaker economies, and delay any move.

Exit visa appeal

A group of 10 Soviet discuss who are married to Americans sent an appeal to the Communist Party
Congress which opens to married to the Communist Party
Congress which opens to married to the Communist Party
Congress which opens to married to the Communist Party
Congress which opens to married to the Communist Party
Congress which opens to married to the Communist Party
Congress which opens to married to the Communist Party
Congress which opens to married to the Communist Party
Congress which opens to married to the Communist Party
Congress which opens to married to the Communist Party
Congress which opens to married to the Communist Party
Congress which opens to married to the Communist Party
Congress which opens to married to the Communist Party
Congress which opens to married to the Communist Party
Congress which opens to married to the Communist Party
Congress which opens to married to the Communist Party
Congress which the Communist Party
Congress which the Communist Party
Congress which the Cong Asked yesterday if he believed

> Interviewed on US television yes- the same conclusion as our Presiwhether he would agree to resign if issued so tough a statement if it did would not pressure him to resign. There are fears that the army, The White House statement said that the fraud in the recent elections was carried out largely by the Marcos Government and was so extreme as to undermine the credibility and legitimacy of the election and impair the capacity of the Government of the Philippines to cope with a growing insurgency and a proving insurgency ation to barm him or his fami-ings trying to get votes for Marcos

### Reagan counters Gorbachev missile proposals

By Stawart Fleming in Washington and

PRESIDENT Ronald Reagan has sent a letter to Mr Mikhail Gorbachev, the Soviet leader, proposing the elimination of medium-range missiles in both Europe and Asia over e three-year period, according to authoritative reports in Washing-

Though details of the letter, which is in the form of a reply to Mr Gorbachev's recent proposal that all nuclear weapons should be eliminated by the end of the century, have not been officially announced its broad outlines have been pub-

hished in The New York Times. In Bonn, West German officials confirmed that a letter setting out President Reagan's views on Mr

Gorbachev's proposals had been re-ceived by the office of Herr Helmut Kohl, the West German Chancellor, last Saturday.

The Bonn Government was "sa-tisfied" with President Reagan's call for an elimination of mediumrange missiles (intermediate nuclear forces) in Europe as an initial step towards curbing the arms race, the officials said.

Unlike the original Gorbachev proposal, which provided only for the elimination of US cruise and Pershing II and Soviet SS 20 missiles in Europe, the new US plan calls for the abolition of Soviet SS 20s in Asia as well.

The Soviet proposal which would have left Moscow's medium-range missiles in Asia in place, ran into strong objections from China and Japan, who felt themselves threatened by the Soviet Asian nuclear force. Even the original American proposal, put to the North Atlantic Council earlier this month, which provided for a 50 per cent cut in the Soviet Union's Asian-based SS 20s, was felt to be inadequate by Peking

and Tokyo.—
President Reagan is also reported to have rejected Mr Gorbachev's proposal that Britain's and France's nuclear forces should be frozen and transfer any new nuclear weapons, such as the Trident missile, to other

countries. Though the UK Foreign Office has declined to comment on the Reagan letter on the grounds that it had not been officially made public, London and Paris are certainly pleased that their views have been respected by Washington. Neither Britain nor France accepts any reduction of their strategic nuclear forces as part of a deal on mediumrange nuclear weapons or before the two super powers have reached

Continued on Page 14

### Oil price slide could trigger upturn for UK

IN LONDON

of a sustained recovery in Britain's output, according to separate re-ports today from the London Business School (LBS) and the employ-

ers' federation, the Confederation of British Industry (CBI). In its Economic Outlook the LBS forecasts that as a result of the collapse in the oil price and the paral-lel drop in sterling's value, the pace of economic growth next year could be faster than retail price inflation

for the first time since 1964. It also expects lower energy costs to give a major fillip to the profits of manufacturing companies. Profits outside the North Sea sector could rise by 25 per cent this year following the more than 32 per cent in-crease in 1985, the LBS says.

The CBI's latest monthly industrial trends survey shows a strong recovery in confidence among nanufacturing companies from the relatively depressed levels seen last month.

Although the fall in the oil price will bring a cut in Britain's national income, lower costs for industry and improved competitiveness are expected to give renewed momen-

Sir Terence Beckett, director general of the CBI, said the organisa-

LOWER OIL prices and a weaker tion's survey indicated a revival of pound have boosted the prospects output expectations over the last month.

"Business is clearly picking un Order books are much better and output should increase significantly over the next four months. It is vital that industry takes advantage of this tremendous opportunity in ex-port markets," he said.

There is less confidence, however, over the outlook for unemployment. An analysis in the LBS report suggests that the long-term unemployed, who now account for about 40 per cent of Britain's total unemployed, appear to have been effectively pushed out of the labour

It argues for direct government action to help people who have been out of work for over a year and suggests thet a reduction in long-term unemployment would carry little

The LBS says that the upward pressure of inflation implied by the fall in the exchange rate has been more than offset by the reduction in costs resulting from lower oil prices. It forecasts that retail price inflation will fall to 3% per cent or tum to the growth of manufacturing less in the middle of this year and will remain subdued in 1987.

Bleak jobs outlook, Page 8

### Rescue package 'last chance' in tin crisis

BY ANDREW GOWERS IN LONDON

THE INTERNATIONAL Tin Coun- remaining details of the new comdisionally agreed on a package of proposals for rescuing the tin mar-ket in London.

new company to take over and sell off the ITCs mountain of tin stocks the banks and metal trading companies which are owed hundreds of millions of pounds by the pricesupport body.

Bankers and ITC delegates, who negotiated for several weeks to formulate the package in the small hours of Seturday morning, say it is definitely the last chance to resolve the four-month-old tin crisis, which erupted last October when the ITC ran out of money to support the market

The negotiators want a preliminary response by this Friday. If it is favourable they hope to complete

cil (FTC) and its creditors have pro- pany - known as Newco - by March 5. Trading in tin could subsequently resume on the London Metal Exchange (LME), where it has been The plan involves setting up a suspended since the crisis began.

A leading banker said yesterday: "This is as good a deal as each of over about three years. It will be the three parties is going to get. It has a reasonable chance, and that's member governments, as well as about as optimistic as I've ever been. The alternative for the governments is that we're going to suc

An ITC delegate said: "This does not mean that a solution is assured It's still in the balance; but if it's not accepted, there's nothing else."

The key question remains that of finance. All sides agree that Newco will need minimum equity funding of £270m (\$391m) plus £50m in loan guarantees if it is to stand a chance of winding down the tin stockpile in an orderly fashion.

Continued on Page 14

### Morgan Grenfell plans merger

BY CHARLES BATCHELOR IN LONDON

op two or three US investment.

The merger is expected to take the form of an agreed takeover bid from Exco, which has a Stock Ex-

takeover hids yesterday announced the Bank of England to modify its plans for a merger of its own, with rules barring large shareholding Exco International, one of the big

four UK money broking groups.

The merger, if it goes ahead, would create a financial services group capitalised at more than Clbn (SLA5bn), larger than any of the other major British merchant stake in Exco over the past four banks and bigger than all but the banks.

The merger is expected to take the form of an agreed takeover bid

This deal would remove uncertainty about the future of Exro, change listing, for the unquoted which recently lost Mr John Gunn, dorgan Grenfell. Detailed terms one of its founders and its chief executive, and then saw a large chunk parties are expected to emerge with of its shares bought by a Malaysian roughly equal stakes in the combusinessman, Tan Sri Khoo Teck Puat. It would also remove the threat of a hostile takeover bid between the parties are expected to emerge with the same of the relative strength of its manifer large hostile takeover bid between the parties and the relative strength of its manifer large hostile takeover bid between the parties are expected to emerge with the same of the relative strength of its manifer large hostile takeover bid between the parties are expected to emerge with the two entires are expected to emerge and the entire are expected to emerge an ing launched. Exco still has about agement is expected to lead, how-£400m of cash on its books from the ever, to the merchant bank domi-

MORGAN GRENFELL, one of the leading British merchant banks engaged in advising companies in the current wave of billion pound UK

The two sides emphasised that there will be a small number of major British players in the international markets. We intend to be one of them. "If this deal happens it will create

a very important British financial group, strong in the securities markets, corporate finance, the full range of international banking business and money broking." Mr Roger Seelig, a Morgan direc-tor, said: The advantages are two-

fold. This is an opportunity of ex-

panding our capital base and ob-taining a listing. This merger will approximately double our size, which is necessary if we are to go on doing bigger and better things. Morgan has spent about £470m over the past few weeks, buying large minority stakes in Imperial Group and Distillers, which are being bid for by its clients, United Biscuits and Guinness. Mr Seelig said Morgan had no difficulty financing these two deals, but the size of the

Technology: Milan's new Foreign affairs: the futility of electronic bourse ...... 6 moral fervour ....... 13 Management: how industry Lombard: Ronald Reagan's Mexican debt crisis: back to Lex: Takeovers: buy while 

**CONTENTS** 

Companies ...... 18 Arts - Reviews

Editorial comment: South Nigeria: Korea; Philippines...... 12 Survey...... Section III

The Peterborough Effect

Hundreds of thousands of ordinary citizens responded over the weekend to calls to gather outside Camp Aguinaldo and Camp Crame in support of Mr Juan Ponce Enrile, Minister of National Defence, and Lt-Gen Fidel Ramos, head of the Philippine Constabulary.

pine Constabulary.

They had barricaded them-selves in on Saurday afternoon after receiving reports that they were about to be arrested. At a news conference, they an-nounced that Mr Ferdinand Marcos had cheated his way to victory in the disputed Presi-dential election and said he

Sin, Archhishop of Manila, to ecross intersections, stones protect the soldiers and police- strewn across the road and men from retaliation. This, after sandhag wails built ever higher.

all, seemed to change every- A group of tanks, armoured Though this too was surthing — a powerful cabinet personnel carriers and land-rounded by civilians, one battle-

Chris Sherwell and Samuel Senoren describe the events in Manila following the defection of top-level officials from

the Marcos camp

minister linking up with the deputy chief of the armed forces to challenge Mr Marcos. Traffic on Manila's lorgest highway, a formidable 10-lane concrete track which runs right through the two high-walled military camps, came to a halt as Filipinos young and old, rich and poor, turned out to pray, sing Onward Christian Soldiers and place flags and icons of Christ on the iron gates of the two camps.

should stand down.

The news spread like wildfire, and people responded instantly thousands hlocking two miles of to a call from Cardinal Jaime to a call from Cardinal Jaime to cod.

By yesterday, the numbers had swelled to hundreds of thousands hlocking two miles of road.

Buses were parked intersections, stones

rovers helonging to the Marines were besieged by a mass of buman bodies and forced into a vacant lot.

Mr Marcos's claim that the mr marcos's claim that the camps were surrounded rang hollow, although his warnings that loyal forces were within "one artillery shot" were taken seriously, for all the risk that a murderous outhurst of fire would represent.

Yesterday afternoon Mr Enrile and his men ahandoned Camp Aguinaldo and moved across the road to Camp Crame in order to concentrate their forces. They joined an esti-mated 5,000 defenders, soma of them pointedly wearing their national flag shoulder patches

The mood was somhre and apprehensive. There was relief that the Marines armoured column had heeo halted less than a mile to the south. But e crack artillery battalion from President Marcos's own security command had pitched camp in a crowded commercial area to the north.

hardened defender admitted quietly that what he feared most was the possible unleash-ing of 105mm howitzers—that, he said, was something they simply couldn't match.

The men have a sprinkling of light weopons, mostly M-16s, mortars and anti-tank rockets. They also hove about five helicopters, one of which is used for recomaissance and ferrying supplies and amunition. En-thusiastic civilians have kspt food flowing in large quantities.

The total number of de-The total number of defenders include about 200 who came hy bus from Mr Enrile's province of Cagayan in northern Luzon. Just before noon yesterday a colonel who resigned his commission in the Marcos Government formed another three companies of 300 civilian volunteers, armed mostly with pistols and revolvers.

As the war of nerves sharp-ened, it seemed indisputable that the 210,000-strong Philippines armed forces were irre trievably split. Mr Marcos insisted otherwise, but Mr Enrile was categoric; the Pre-sident might have most of the service commanders be op-pointed on his side, but "the decent elements in the ranks situation.

Mr Enrile and Gen Ramos were particularly bitter in their comments over tha fevouritism, graft and corruption which had poisoned the armed forces. They also expressed disgust at the failure of Mr Marcos to heed the calls of the reform movement within the military to restore professionalism in order to combat the growing



Mr Enrile's repeated attempts to resign have been thwarted. Now he says he can no longer serve Mr Marcos (above) and is committed to Mrs Aquino (below) who challenged the President so successfully in this month's poll



### Defence chief stakes all to expose Marcos 'fraud'

BY CHRIS SHERWELL, SOUTH EAST ASIA CORRESPONDENT

the US and earning a living as as successful lawyer. He finally joined Mr Ferdinand Marcos at the vortex of power in the mid-

Now, another 20 years on a period of tested hut unbroken loyalties—Juan Ponce Enrile has dramatically and irreperably cut his ties with his boss. Mr Marcos, he says, did not win the Fehruary 7 Presidential election, he cheated his way back to power.

Recause Mr Enrile who is

back to power.

Because Mr Enrile, who is now 62, has been Minister of National Defence for some 16 years, his decision to hreak with the Government and confront it directly by barricading himself into armed forces head-quarters was the most sensational political development since the controversial poll.

It was made all the more

since the controversial poll.

It was made all the more significant by the fact that he was joined by Lt Gen Fidel Ramos, head of the Philippine Constabulary and deputy Chief of the Armed Forces.

Gen Ramos, 57, is a West Point graduate noted for his happy and thinking of return-

Now the two men are taking o common stand, and few who know them doubt that they will emerga either dead or victor ious. If Gen Ramos'a action is the

result. of years of professional frustration, that of Mr Enrile follows a lengthy period of decline in influence over Mr Marcos, principally in favour of Gen Ver, who is a relative of the President.

of the President.

The peak of his power came when Mr Marcos declared martial law in 1972 and made Mr Enrile Martial Law Administrator. He had moved fast since the start of Marcos rule in 1965, starting as a Commissioner Contract Presents of Contract Presents o in 1965, starting as a Commis-sioner of Customs, becoming e Secretary of Justice and then Secretary of Defence.

As Martial Law Adminis-trator he governed the whole country, and used his power with considerable strength.

By 1978, however, Mr Enrile
was becoming increasingly un-

WHEN "Johnny" Ponce Entrile was in his early 20s, he travelled hundreds of miles to Manila, a place he had never visited, to search for his father, a man he had never seen. Born illegitamtely all he wanted was to be able to complete his schooling.

He was duly recognised by his prominent lawyer-politician father and spent the next 20 years attending the best college in Manila, studying first et the University of the Philippines and then at Harvard in the US and earning a living as as successful lawyer. He finally joined Mr Ferdinand Marcos at the control of the property of the Philippines and then at Harvard in the US and earning a living as as successful lawyer. He finally joined Mr Ferdinand Marcos at the property of the p

It is an extraordinary turn-round, and one with incalcul-able consequences. But Mr Enrile has said he is ready to die to make his point.

FINANCIAL TIMES

Published by The Financial Times (Europs) Left, Frankfurt Branch, represented by E. Huge, Frankfurt Main, and, as mambers of the Busrd of Directors, F. Barlow, R.A.F. McCleen, G.T.S. Danes, M.C. Gorman, D.E.P. Palmer, London, Printer: Frankfurt-Societäts-Druckerel-GmbH, Frankfurt-Main. Responsible editor: C.E.P. Smith, Frankfurt-Main. Guilelteitstrasse 54, 8000 Frankfurt am Main 1. C The Financial Times Ltd., 1988.

FINANCIAL TIMES, USPS No. 1986.0, published daily except Sundays and holidays. U.S. subscription rates 5385.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES. 14 East 60th Street, New York, N.Y. 10072. FINANCIAL TIMES

17312 17519 17519 17519 17519 17546 27941 2 7766 2 7 | BBJT | BBB 103:29
145:39
145:39
145:39
145:39
145:39
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
185:37
18 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10.791 | 10. 19460 194271 194271 194271 194281 194281 194291 194291 194291 194291 194291 194491 14952 14954 14954 14954 14954 14955 2992121 154217 1

10-30 19-16 19-00 194-5 24:37 14:45 1900 14:48 1974: 29-1 1011 104:1 14743 19-7: 24:15 104:1 14748 14\*1; 14:17 14:10 1974: 1974: 198-2 1974: 198-2 1974: 198-2 1974: 198-2 1975: 14791 194-4 1797: 18747 14440 19468 79947 148°0 19971 1967*3* 15834 14179 19884 19187 39811 18915 16917 39929 14438 19917 17938 19940 19946 30324 10324 10330 10352 10352 10352 10352 10352 10441 10441 10441 10543 10544 10673 10544 10673 10544 10673 10541 10562 4.785 57485 4.185 57485 4.185 57485 4.185 57485 4.185 

NORGES HYPOTEKFORENING FOR NÆRINGSLIVET 13 1/2 % EURO-NOK-LOAN OF 1982/1990

owing Srmds have been drawn by jot for redempile on Jack April 1988 - Ind Imatelment:

Kemiosi wor 36,408,800

21 - 4/89

21 - 4/89

21 - 4/89

21 - 4/89

22 - 4/89

134 - 4/85

135 - 4/85

135 - 4/85

135 - 4/85

135 - 4/85

135 - 4/85

135 - 4/85

135 - 4/85

135 - 4/85

135 - 4/85

135 - 4/85

135 - 4/85

221 - 4/85

221 - 4/85

221 - 4/85

221 - 4/85

221 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85

231 - 4/85 2047 - 31447 -- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 4/85
- 5/899-4/895 5/899-4/895 5/899-4/895 6/899-4/895 6/899-4/895 6/899-4/899-

Calvy 508 241 mapy 1484, Den norske Creditbank

### Iran to press Opec to suspend oil exports

sion of oil exports for two producing countries will suffer eign military attaches of the weeks to a month by members the most."

It is a month by members the

BY DAVID GARONER IN NEXICO CITY

IRAN IS to press for a suspen- crisis will be created and oil- Estimates here among for- Our Middle East Staff writes: fluctuations in oil prices either

REVENUE FROM CRUDE WILL BE HALVED SAYS PRESIDENT

foodstuffs constitute a drain on levels.

weeks to a month by members of the Organisation of Petroleum Exporting Countries members, who account for about one-third of world production, turn off the tap for duction, turn off the tap for between a fortnight and one month reflects deep concern her about the impact of falling prices on the Iranian the of 10m barrels a day in collective ontput, he told a news concern the ontput, he told a news concern the part is about 17m b/d.

The proposals emerged from tripartite discussions held last week in Algiers involving Iran, Libya and Algeria, according to Mr Aqazadeh. They are to be put to the full ministerial meeting scheduled to be held in Geneva in March.

Itan's proposal that Opec cuting the war range from the tap for foodstuffs constitute a drain on the budget of about \$2.5bn annually.

Mr Aqazadeh said Iran had urged oil-producing countries to reduce their output significantly so that prices will prick up. He said the tripartite meeting in Algiers had agreed that specific representations be made to Saudi Arabia to persuade the Saudis to "coordinate with other Opec ordinate and reduce output."

Itan's proposal that Opec cuting the war range from the tap for form the tap for the tap for the budget of about \$2.5bn annually.

Mr Aqazadeh said Iran had urged oil-producing countries to reduce their output significantly so that prices will prick up. He said the tripartite meeting in Algiers had agreed that specific representations be made to Saudi Arabia to persuade the Saudis to "coordinate with other Opec ordinate of the prices and reduce output."

Itan's oil exports for Februmeeting scheduled to be held in faved this year if the oil price slide continues.

Mr Aquadeh made it clear that fram was behind the radical proposal and he warned that if "no serious measure was taken an incontrollable in the radical proposal and he warned that if "no serious measure was taken an incontrollable in the radical proposal and he warned diplomats. This compares with about 1.5m b/d in January.

Mr Aquadeh made it clear tran's oil exports for February are averaging about 1.2m are proposing a preliminary incetting be held in Geneva before the comprehensive consultations.

The statement issued by the Ministry of Oil appeared to have been a response to the bitter criticism expressed by Algeria, Iran and Libya which have charged the Kingdom with the main responsibility for the collapse of prices. It may also be an indication that Riyadh believes the fall to have gone far enough in shocking non-Opec producers.

"The Kingdom is making efforts to correct the situation to ensure the return of prices to just and acceptable levels," the statement said.

"The Kingdom will not abandon tha policy it has taken since the 1870s which rejects wide production and a corresponding increase in prices."

"The Kingdom will not aban-don the policy it has taken since the 1970s which rejects wide

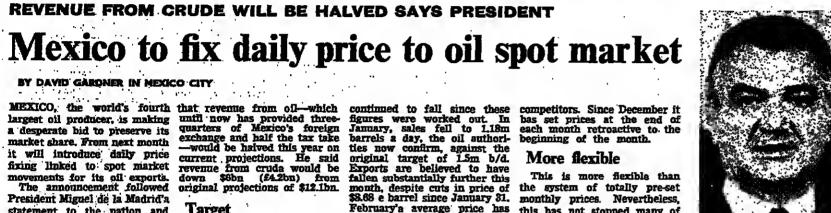
sion to raise its output by cutting oil prices but said that it
would work to ensure that oil
prices returned to acceptable
levels.

In the dawn, it commined.

Saudi Arabia had been the
last to abandon official prices
but had been forced by financial
pressures to follow the pricecutting tactics of fellow Opec

"What has happened was out of the hands of any government that faced a depiction in its financial resources, causing un-bearable and unacceptable deficits in its budget," the state-

Meanwhile, Colonel Muam-mer Gaddafi, the Libyan leader. confirmed in an interview with a Greek newspaper that his country intended to cut its pro-



Nato, against 25.2 intending to vote Yes. Of the remainder, 19.1 per cent said they would abstain, as the conservative Popular Alliance Opposition has called en its supporters to do.

The poll indicated a narrowing gap between the pro-Nato and anti-Nato camps, compared with earlier surveys by the same newspaper which have consistently given the lead to the No vote

ment.
Anti-Nato "leave us in page" posters put up by the Communists vie for space with government advertisements which recommend continued membership with the slogan "in Spain's interests," Unfortunately for the government campaign, opponents ment campaign, opponents have taken advantage of the blank space at the bottom of these posters to add, in spray paint, the words "vote no."

#### **Spanish** anti-Nato campaign gains ground

By David White in Madrid

Spanish auti-Nato groups, encouraged by forecasts that they could beat the Socialist

they could beat the Socialist Government in next month's referendum on membership, rallied several hundred thousand supporters in a noisy two-hour demonstration in central Madrid yesterday.

The "march on Madrid was organised by two leading bodies heading the campaign against staying in the alliance — a joint front of Pacifist groups and the Civic Platform for Withdrawal from Nato, in which the Spanish Communist Party plays a prominent role.

constrators arrived in Demonstrators arrived in special bases from other parts of Spain to join the march, staged just before the official formight's campaigning period starts on Tuesday. The latest opinion policommissioned by the leading Madrid daily El Pals and published yesterday showed 34.2 per cent intending to vote No to remaining in Nato, against 25.2 intending to vote Yes. Of the re-

ently given the lead to the No vote

Pells by the government Centre for Sociological Research, which were showing the opposite result, now show the No vote leading by 31 per cent to 27 per cent, according to the most recent published figures. The Communist Party claims that a subsequent, unpublished poll shows a balance even less favourable to the Government.

### Hong Kong racing stewards extend jockey suspensions

STEWARDS of the exclusive Royal Hong Kong Jockey Club for between two weeks and met in emergency session yesterday to extend the suspensions of 11 jockeys and a trainer as investigations by the Independent Commission Against Corruption (ICAC) continued the suspension of leading trainer Mr T. C. Cheng to June 30. into a race-fixing racket that is The suspensions, made "to destined to be the biggest horse-maintain the confidence of the racing scandal in the territory since the sport became professional in 1971.

The stewards met as 50,000 which the ICAC arrested 22

Hong Kong punters poured into jockeys, trainees, race-horse the ultra-modern Shatin race owners and Jockey Club officials tourse in Hong Kong's new These have now been released territories for Derby Day, the biggest event in the season's to HK\$1m. A number have had racing calendar. More than their travel documents conducing the eight-race meeting.

The ICAC, which was set up

the ICAC, which was set np
With far-reaching powers in
1973 after widespread corruption was discovered inside Hong

Kong, with a monopoly on legal Kong's police force, bas regambling in the territory. The tax on betting revenues, which amounted to HK\$19.78bn last season—is a major source of government funds.

Kong's police force, bas revealed little about those being investigated. Documents taken during Thursday's raids are being studied.

Mr Sandberg said yesterday

government funds.

Mr Sandberg said yesterday

Mr Michael Sandberg, chairman of the stewards and in co-operating closely with the
working life chairman and chief ICAC for six months as the said after the stewards meeting that on the advice of the ICAC suspensions on 11 jockeys jockeys, trainers and officials in the classic states of the classic suspensions on the stewards for the ing that on the advice of the ing that on the stewards meeting that on the stewards in the classic states in the classic states and officials in the classic states and officials in the classic states and the classic states are the classi

#### **Boost for Ariane after** launch of two satellites

BY PAUL BETTS IN PARIS

THE successful launch of two step forward in the conquest THE successful launch of two satellites by Ariane at the weekend has given a boost to the future commercial prospects of the European space rocket.

The latest launch, from the Kouron space centre in French Guyana, was the 16th by the European space rocket and was some concern over a solar panel on one of the satellites placed in orbit by the European rocket. But

European space rocket and was regarded as crucial after the embarrassing failure of the rocket's 15th launch last September in front of President François Mitterrand. It was all the more significant following the tragedy of the US space shuttle Challenger last month, which has again cast doubts over space programmes.

of the satellites placed in orbit by the European rocket. But Arlane officials claimed that the panel on the French Spot earth observation satellite, was not expected to pose any problems. The other satellite placed in orbit by the European rocket. But Arlane officials claimed that the panel on the French Spot earth observation satellite, was not expected to pose any problems. The other satellites placed in orbit by the European rocket. But Arlane officials claimed that the panel on the French Spot earth observation satellite, was not expected to pose any problems. The other satellite placed in orbit by the European rocket. But Arlane officials claimed that the panel on the French Spot earth observation satellite, was not expected to pose any problems. The other satellite placed in orbit by the European rocket. But Arlane officials claimed the panel on the French Spot earth observation satellite, was not expected to pose any problems. The other satellite placed in orbit by the European rocket. But Arlane officials claimed the panel on the French Spot earth observation satellite, was not expected to pose any problems. The other satellite placed in orbit by the European rocket. But Arlane officials claimed the panel on the French Spot earth observation satellite, was not expected to pose any problems. The other satellite placed in orbit by the European rocket.

over space programmes.

President Mitterrand said involves about FFr 8.5bn after the successful launch: (£826m) and includes the Europe has achieved a further launch of 29 satellites.

### Losses on currency dealings embarrass Lufthansa

This is equivalent to one-third

Mexico sells only to term
of Mexico's total exports, he
customers and has traditionally

RS chemis delaying in Europe, since they have little incentive to buy

said, and almost all its non-oil
exchewed the spot market and at unknown prices when there
exports.
However, the oil price has being reached by many of its oil.

BY RUPERT CORNWELL IN BONN

statement to the nation and Mexico's creditors on Friday

night that the country is unable

to meet its full debt service

obligations because of the oil

the West German state airline, and are fuelling ill-disguised political sniping against its chairman Mr Heinz Ruhnau. Mr Ruhnan was summoned last week to meet Mr Werner Dollinger, the Transport Minister, to explain the losses. Unconfirmed reports were circulating here this weekend that

said, and almost all its non-oil

Target

June.

around DM 2.30, meaning that the aritime, around DM 2.30, meaning that the aritime has paid over the aritime has paid over the aritime has paid over the transport Ministry, was from 408,912 a year earlier, the Lafthansa, in which Bonn has the then SPD-led Government. The correct that the paying for Jumbo jets and 10 loss. However, reports of the paying for Jumbo jets and 10 loss. However, reports of the Company's misfortune have colliged it to issue a reassuring to delivered this year.

The currency problems stem the airline has paid over than it needed. Lafthansa, in which Bonn has a 74 per cent stake, has refused the then SPD-led Government. But last week Mr Dionys Jobst. But last week Mr Dionys Jobst. Boeing 787s due to be company's misfortune have obliged it to issue a reassuring (CSU) party, a partner in the account when assessing the 4 monthly report.

LOSSES ON currency dealings, supervisory board on whether DM 3.20 in the fear that the which could total over DM 200m to extend his term of office dollar might rise even further to extend his term of office dollar might rise even further to extend his term of office dollar might rise even further to extend his term of office dollar might rise even further to extend his term of office against other currencies. In the profits in 1985, and was expect-dismissed for reckless speculation.

West German passenger car even further than the profits in 1985, and was expect-dismissed for reckless speculation.

West German passenger car even further than the profits in 1985, and was expect-dismissed for reckless speculation.

February's average price has this has not stopped many of been \$15.07.

its clients delaying lifting,

Mr Ruhnau, a Social Demo- output fell to a seasonally around DM 2.30, meaning that crat and former State Secretary adjusted 385,800 in January

# Norton. A public company in business telecommunications equipment for 5 years.

British Telecom. A public company in telecommunications equipment for 2 years.

Of course, British Telecom have been around a lot longer than we have. But they have only been a public company and exposed to competition for 2 years.

We think that is important to you.

We have been telecom specialists since 1971 – instinctively understanding the needs of other businessmen.

That's why since Parliament gave business a choice, business has increasingly chosen Norton.

After BT, we are the biggest supplier of mid-size business telephone systems in Britain. We've reached that number two position by giving businessmen the equipment and service they want.

It means today you have a reliable option. From 2 extensions upwards we supply, install and maintain business telephone systems.

Telecommunications have come a long way since your system was installed. Choose your next one from Norton.



Norton Telecommunications Group Plc, 341 City Road, London ECIV 11.J Tel: 01-278 0404 Telex: 27177 Fax: 01-833 3859

#### **Pretoria** hit by explosion

AN EXPLOSION damaged a post office io a Pretoria enburh early yesterday and a mob of 500 blacks left a trail of destruction in a Transvaal township, Reuter reports from

Johannesburg.
The hlast, which rocked the white Meyerspark suburb, damaged the post office and three nearby shops, police said. No one was burt.

The bomb was in e telephone booth and might have been the work of the banned African National Congress (ANC), pollee added.

Violence spread to a new area overnight when 500 blacks rampaged through Nelspruit township, 120 miles east of

The eastern Transvaal has uotil now been barely touched by the unrest, fuelled by grievances over apartheid race laws, in which more than 1,100

laws, in which more than 1,100 people have died in the past two years.

Police moved in with shotguns, rubber hullets and tearguns, rubber hullets and tearguns take new positions to supress the counter-attacks. The radio said Iran still controlled territory 30 kilometres from the tip of the peninsula to the front lines — meaning that the fighting would be taking place some 20 kilometres from the town of Faw itself.

One thousand Iraqis were killed in the counter-attacks a witness said yesterday. Police allowed them to leave after about five minutes.

### Iraq claims Faw victory 'within days'

IRAOI FORCES say they have reached the salt flats of Mamlaha, just outside the iranian-occupied town of Faw and that within days" the Iraql flag will be hoisted in the town. Io the last few days Iraqi communiques have assumed a supremely confident air. Two of

the three prongs of the counter

offensive are claimed to be making advances. The central

column is said to have reached

laha, while the southern column said it went forward 1.3 km

Progress from Mamlaha could be even more difficult, however, as the terrain consists of soft salt flats, difficult for even infantry to move on. Mamlaha is femous in Iraq for its salt and henna, the natural dye used to decorate the hands and feet. With so much national

the south-eastern edge of Mamseveral thousand Iraniao troops hemmed in in the extreme tip

of the peninsula. Western observers are still sceptical that progress is being

prestige depending on the Iraqis claim. Some believe that he said, were still managing to liberation of Faw, it seems the Iraqi army may still bave resupply their troops. "We hope likely that the Iraql forces will 13 km to go. Forcign correspon-concentrate on that town first, dents have been allowed only concentrate on that town first, dents have been allowed only leaving the areas occupied to limited access to the front, being the south at Ras Blsha to later. restricted to rear positions with Recovery of Faw would leave the heavy artillery batteries.

One of Iraq's leading generals, Major General Maher Abdul Rashid said over the weekend that the Iranians only occupied 18 sq km in a tri-angular area measuring 3 to made on the scale that the 5 km from Faw. The Iranians,

they continue to send more troops in." Maj Gen Rashid said. "That way we will harvest more. It will give us an historic chance for the Iraqis to anni-hilate this epidemic," he told a press conference at bis field headquarters on the central sector of the southern front. The Iraqis are clearly throw-ing everything they have into this counter offensive.

### Iran says it repulsed Iraqi counter-attacks

Sanwa's

merchant banking

expertise can do a lot for your business

square kilometres of it.
After n Cabinet meeting Mr
Mle-Hossein Mousavi, the Prime
Minister, told Radio Tehran:

killed in the counter-attacks aimed at recovering Faw.

major role in

The Sanwa Bank, one

world capital markets

institutions, has assumed

a prominent role in world

by the highest credit rating

capital markets. Backed

in international finance.

the Bank is specially

positioned to provide

more and increasingly

sophisticated services for

its global clientele in such

of Japan's top financial

IRAN CLAIMS that it has which said that Iranian forces unavailable, but are almost repulsed Iraqi counter-attacks were "continuing to strengthen certainly much less that during the critical battle for the their positions and fortifications the almost suicidal effensives of an earlier period.

While the war communiques here sharply conflict with Iraq's, the fact that Iranian forces were able to take raw and are still in possession of it two weeks after the start of the offensive is seen here as a huge political blow to the regime of President Saddam

Iran appears intent on holding Faw as long as possible, but in line with a more prudent military strategy pursued since the middle of last year it may be unwilling to commit additional troops and equipment to the task if a continuing defence of the town seems hopeless. Numbers of Iranian casualties an earlier period.

Around 15,000 volunteer fighters (as opposed to members of the regular arm) are said to heve been engaged in the capture of Faw. A similar number are thought to have participated in the second prong of the Iranian offensive which was repulsed east of Basra, Iraq's main southern city.

Iran's immediate aims in the latest offensive were, according to observers here, to probe for largi weak spots on the southern conference after delivering a battlefront. When Iranian troops message from President Ali broke through at Faw, local commanders are thought to have made a quick decision to secure the town and keep going north since the fighting began are towards Basra on a route that

Logis Fares reports from Damascus: Iran would cootione the war until Mr Saddam Hussein'e regime was overthrown, Mr Mohammed al Bicharati, Iran's Deputy Foreign Minister, said here yes-

terday.
"This is a final and irrevoc-

message from President Ali Khamenei to President Hafez al Assad of Syria.
The Iranian envoy emphasised, however, that Tehran "extends a hand of friendship

distance of Umm Qasr, the Iraqi naval hase.

A boous was the fact that Iranian troops, for the first time in the war, moved close to the border of Kuwait, ooe of Iraq's principal backers.

Louis Fares reports from to all its Arab neighbours."

He was speaking following the departure from Damascus of Prince Saud al Feisal, the Saudi Arabian Foreign Minister, who had delivered a message to the Syrian head of state about the Guif conflict from King Fahd.

Mr Bicharati claimed that Irao had 150 divisions ready for combat "on all froots." He expressed satisfaction with his talks in Damascus. "The Syrian position has not changed and we are prood and happy about its staoce."

Saudi Arabia was trying to use its infloence with Syria, which has supported Iran in the conflict, to end the war. "Our answer is 'no'. We won't stop until Saddam Hussein is foiled and punished for starting the aggression."

### Hussein accuses US of ending 30-year Jordan military link

BY ROGER MATTHEWS IN AMMAN

by going hack on its pledge to complete a \$1.9bn (£1.3bn)

earlier this month not to go ahead with the sale of surfaceto-air missiles, aircraft end other equipment had under-mined the credibility of the US Government "in terms of promises and commitments," the king said.

He believed there was a reel

possibility that Israel would at some point seek to destabilise Jordan and he was no longer confident that the US would seek to stop such a develop-

"In the past. I used to take seriously assurances from our friends," said the king. But in the light of recent events and the growing influence of Jewish organisations on US policy, the king said he could no longer be sure.

Io the past few months, Jordaniao officials have become locreasingly alarmed at what they see as the ability of they see as the ability of lewish organisations to the US to frustrate the Adminis-

tration's polleles.

They were particularly yesterday.

angered by the attempt in He said

Congress to make erms sales a decision

would now be looking to Euro-peao countries for his weapons supplies and also to the Soviet Ilnion. But with the recession in the Middle East caused by of the Palestinians.

KING HUSSEIN of Jordao has accused the US of terminating a 30-year military relationship by going hack on its pledge to Government will require generby going back on its pledge to complete a \$1.9bn (£1.3bn) ous credit arrangements.

"In terms of our oeeds and requirements, the US bas topped heing the major supplier of defensive weapons to Jordan," the king declared in a US television intorview at the weekeod.

Presideot Reagan's decision earlier this month not to go abead with the sale of surface was severing relations with the

was severing relations with the PLO leadership, senior Pales-tinians in Amman have been preparing themselves for further action by the government. They expect that several of their offices will have to be closed and that a number of

prominent PLO representatives will have to leave the country. Some PLO officials are convinced that King Hussein is determined to persuade the Palestinian people to select a new leadership end claim that he has thrown down a direct challenge to Mr Yassir Arafat,

the organisation's chairman. Jordan's parliament, the Lower House of Deputies, gave uoanimous backing at the week-end to King Husseln's suspen-sion of the talks with the PLO. Our Middle East Staff adds: King Hussein challenged Mr Yassir Arafat's leadership of the PLO in an interview with the New York Times published

He said that he would respect angered by the attempt in the said that he would respect to Jordan conditional on King the PLO was their "sole repre-Hussein opening bilateral sentative" but added that peace talks with Israel.

Jordan would welcome aootber King Hussein added that be body to fulfil the same role. In another interview with Cable News Network, King Husselo emphasised that he could not oegotiete oo behelf

### **Algerian Government and** party chiefs in shake-up

BY FRANCIS GHILES

A shake-up of the Algerian senior positions in the govern-government and the top ment: echelons of the ruling Front Mr Abdel Aziz Khellef has de Liberation National (FLN) switched from the trade to the de. Liberation National (FLN) switched from the trade to the Party is under way following finance portfolio and Mr Mustific endorsement by last Deceme et a Ben Amar has become bers Party Congress of an up. Minister of Trade.

dated version of the National The former Trade Minister. Mr Boualem Benhamouda, who The charter, presented by was a hero of the war of libera-President Chadli Bendjedid, is tion and minister for two far less doctrinaire in its refer-decades, has bowed out after

far less doctrinaire in its refer-decades, has bowed out after ences to socialism that the first a long career. Charter which was written when Mr Salah Gouili has hended the late Houari Boumediene bis transport portfolio to the was head of state. It refers highly-regarded Colonel Rashid much more frequently to the role of Islam in Algeria's Other chenges are expected history and the fight against French rule.

Unlike the agrarian revolutions of Forcian Affair where

document advocates giving out.

private and state farmers the incentive to produce and sell
incentive to produce and sell
incentive to produce and sell
As Minister of Planning from

As Minister of Planning from

Unlike the agrarian revolutries of Foreign Affairs, where tion promoted by the late Presi- Mr Ahmed Taleb Ihrahimi redeot Boumedleoe, the new mains his country's paramound document advocates giving both diplomat, the Interior or Agriculture. Nor is a change of Minister expected.

and eocourages the private as Minister expected.

As Minister of Planning from sector to participate more actively in building up the conomy and creating jobs.

Former diplomats and senior is 1979 to 1984 and Prime Minister of Planning from the serior. Mr Abdelhamid conomy and creating jobs.

Former diplomats and senior in steering Algeria oway from the heavy foreign borrowing and vast industrialistics. promoted to political office io and vast industrialisation pro-recent years have gaioed more grammes of the 1960s eod 1970s.

### Tanker market shakes off some depression

BY ANDREW FISHER, SHIPPING CORRESPONDENT

some of its depression last week. as demand in the Gulf for big tankers improved. But for dry cargoes such as grain, coal and iron ore, activity

Freight rates mostly remained low, though shipowners were hop-ing that these would pick up in coming months, at least for oil carriers. The slight lift in Gulf tanker rates reflected increasing demand for tonnage by the big oil companies.

Galbraith's, the London shipbro-king firm, said the past week had seen a larger than normal export of oil from the Gulf. This fresh impe-tus has enabled owners to obtain slightly better remuneration and to gain something of an advantage," it

noints firmer for VI.CCs and UI.CCs (very large and ultra large crude carriers), with Worldscale 22.5 paid for cargoes of around 270,000 tonnes to the West and Worldscale 28 from Sirri Island (the Iranian

THE TANKER market shook off terminal south of the war zone) to the Red Sea.

With the greater demand, which should continue more strongly once oil prices stabilise at lower levels, owners should be able to find more employment for large tankers. Many deals are now being done pri-

vately off the open market.

The Mediterranean market remained poor, however, with too many ships now available and rates weak. Activity improved in the West African market. For dry cargoes, rate levels showed little change last week. The Pacific trades continued to be more

in shipowners' favour than the Atlantic, where there is still a surplus of tonnage. Grain rates from the Gulf of Mexico to continental Europe were

around \$6.25 a ton for a 55,000 ton vessel, 50 cents down on the previous week. Nakamura, the big Japanese bulk carrier company filed for bankruptcy on Thursday, highlighting the gloom in this sector of the market.

#### World Economic Indicators

RETAIL PRICES (1980 = 100)

					Over pri
	Jan *88	Dec '85	Nov '85	Jen '85	vioti you
UK	143.9	143.7	143,5	136.4	5.
	Dec 185	Nov '85	Oct '85	Dec '85	_
W. Cornany	132.6 121.4	132.3 121.3	131.9 121.1	127.8	9.
France Raly	160.3 197.2	160.1	159.8	119.3 153.1	4.
Notherlands Belgium	123.0	195.8 123 <u>.2</u>	194,3 123,2	180,8 120,9	9. 1. 4. 9. 1. 4.
Jepan Jepan	141.8 115.1	141.8 115.1	141.4	136,4	4
		-14.1	116.3	113,2	1.7
				Şo.	ace: Eurosia

Sanwa bankers are working for you everywhere.

a highly specialized

Merchant Banking Group

covering each of the world's

major financial centers to

carefully tailored to region-

al markets and industries.

Forward-looking

world's 7th largest bank\*.

banking made Sanwa

what it is today: the

The world's

7th largest bank

ensure services that are



areas as syndicated loans,

securities-related busi-

nesses, project finance,

other hybrid products.

financial environment.

far-ranging expertise is

tions are supported by

essential. Sanwa's opera-

Global expertise

lease finance, fund man-

agement, mergers and ac-

quisitions, swaps, NIF and

In today's challenging

\*1984 Institutional Investor Survey

with total assets of over

international network.

Drawing also on its

US\$109 billion and a vast

strong yen base, Sanwa's

pioneer financial services

your Sanwa banker. And .

see what Sanwa's mer-

chant banking expertise

can do for your business.

specialists continue to

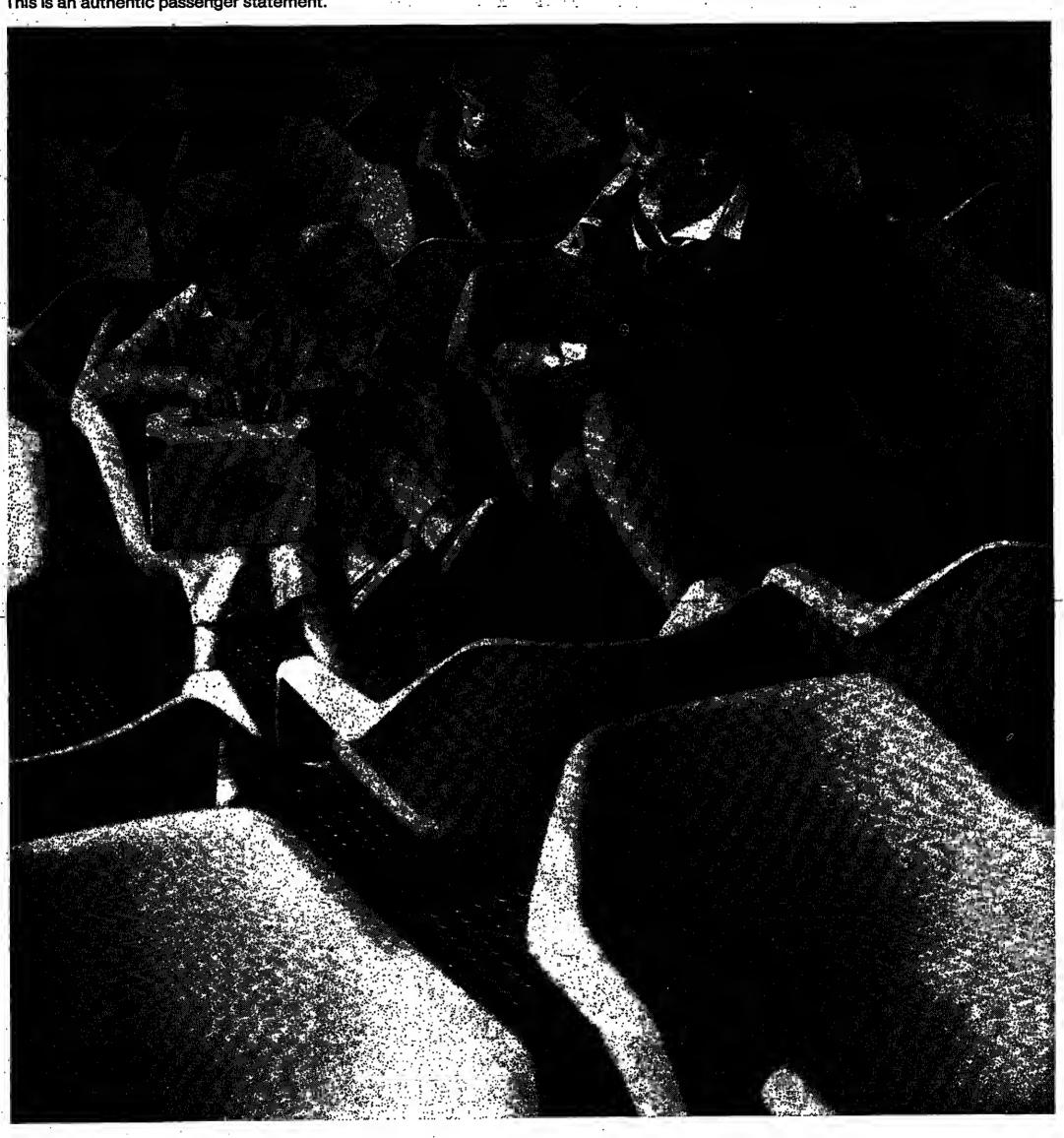
to meet the unique re-

quirements of clients

everywhere. Just ask

# "You really know how to make a guy happy."

This is an authentic passenger statement.





Advanced

computer

for French

stores beld on optical disks. This will avoid handling the

original documents.

system

archives

### Fairer shares at Milan's new electronic bourse

THE ITALIAN stock market is turning to electronic technology in a bid to update itself and keep pace with developments on Wall Street and in the City. A consortium of 100 Milan-based stockbrokers has spent more than L20bn (\$12.5m) in the past year to develop a computerised order entry system designed to speed trans-actions between investors and

The system, Borsamat, is still experimental, with only 10 "Borsamat should make the workstation terminals installed flow of orders easier and should make the at the offices of banks, brokers make dealings more trans-and institutional investors. But parent," says Mr Recine. It if all goes well, the consortium, working through the Centro Elsborazione Dati (CED) or data centre, hopes to have a full system operating by April

Borsamat will be based on the Mr Alfredo Recine, managing director of CED, says the system is needed because of the recent and dramatic rise in the volume of orders. Average wolume of orders. Average from 60,000 to 100,000 transactions during the basel of the past 12 months. The tradi-

THERE is a certain irony in the news that Britain's Culbam

the beart of the technology.

The laboratory, part of the

UK Atomic Energy Authority, will work with the Los Alamos

National Laboratory in New Mexico on a novel high-voltage

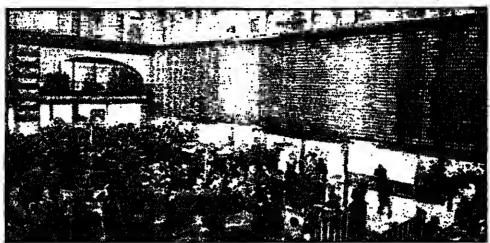
Modernising Italy's main stock market will clean up dealing, Christina Paghera reports from Milan

tional system of banks telephoning hrokers at the Bourse who then shout orders, is badly in need of modernisation. "Borsamat should make the seems likely to bring a further shift from the tradition of closed-circuit dealings between a few big financial institutions in Milan.

computer,
The network will operate across telephone lines and it is expected it will take three months to connect offices in Milan and five months for other parts of Italy. The system could eventually be linked to markets in other countries, though this is not foresean in

the near future.

Borsamat workstations will be installed at the offices of big investing institutions or in an individual office or home. an individual office or home.
The investor taps in an order
which is immediately transmitted to the stockbroker's
video screen inside the Bourse.
A broker handling, say, a
sell order can then instruct Borsamat to display the shares be is offering and the price he wants on the terminals of all the other brokers connected



On the floor of the Milan Bourse brokers shout orders beneath a display board to be linked to the Borsamat system

puter. The same information price, some say it faces resist- the CED consortium a year is also transmitted immediately to the system's central computer banks. "It is harder with this system to bargein and to do the software and between May and some say it faces resist- the CED consortium a year ego. Last April, CED computer that the central computer is also transmitted immediately and system to bargein and to do the software and between May and use personal identification num-bers to identify themselves and

fuony little things in deals which Milan brokers like to

October the system was instal-led experimentally. In August, Consob, the stock market regulatory authority, approved its full-scale development-

When it is fully operational, Borsamat software will be rented by CED to subscribers. The annual charge is expected to be between L10m and L12m

WORTH WATCHING ing the 200 kilowatis of energy EDITED BY GEOFF CHARLISH

UNDERSEA optical cable will be laid in March between Brondstaira, Kent, and Ostend in Belgium by British Telecom's cable ahip Alert. The link will be the first international submarine optical cable and will carry 12,000 telephone circuits using only three repeaters (amplifiers) on the 120 km link.

The first optical cable to the US, TAT 8, is due in service by summer 1983.

vice by summer 1988. Because these systems are digital, they will be able to carry computer data and video as easily as the customary telephone Dr Yonas is enthusiastic about

> OPEN SYSTEMS Intercon-nection (OSI) will be dis-cussed at a four-day con-ference at the Tara Hotel in London, March 18 to 21, organised by Online Inter-metaral untional.
> Unusually, the first day is

a pre-conference tutorial which the much mentioned

AHOVING EXPERIENCE International Handling and Storage Exhibition NATIONAL EXHIBITION BIRMINGHAM 18-21 MARCH 1986

International Standards Organization and associated matters will be explained. The other three days are divided into two streams, one covering the provision, the other the use of open systems

networks. networks.
The full four-day conference costs £595, or without the tuterial day, £465. More on 01-365 4466.

COLOUR televisian sets with a three-inch liquid crystal screen offering better defini-tion than those aircady announced should be in the shops in Japan in a mouth or

BIBLIOTHEQUE National, guardian of the French national archives, is to use an advanced library and information system based on a local area network supplied by Geac Computers of London. The network will use both coaxial and fibre optic cable to connect a variety of computers, terminals and information sources from different makers into a single integrated data system. It conforms to the "open systems interconnect" standards and later will transmit images to public terminals or inserprinters from mass document stores held on optical disks. From Matsushits, the sets will have over 89,000 picture elements on the screen com-pared with about 50,000 now, giving a clearer, less grainy

The receiver front dimensions are only 163 × 90 mm (6.4 × 3.5 ins) and the set weighs 430 gms (15 oz), including batteries.

meinding batteries.

The company plans to make the set, designated TR-3LT1, at a rate of 20,000 a month and will begin marketing from April 21 at a price of \$15,000 (about \$290). ¥59,800 (about £230).

POWER TOOLS designed for use by rebots have been introduced by Fein. the German power tool company and are obtainable from Trumpf, the German-based machine tool company of St Albans (0727. 21111). The tools have high fre-

quency electric drives for efficiency and speed flexibility under electronic control. In addition, because they will operate at the end of the robot arm, the weight has been minimised, giving maximmm manoeuvreability. The collet mounting system allows quick changeover of tools.

SITE SECURITY using radio is available from Site Guard of London (01-318 7235). Known as Radio Sentry, the system uses sensor and radio transmitter units which are fixed in the areas needing protection. Intrusion, when mo

centre.

the first of the second section in the second

GRANADA

### Soviet device at heart of Star Wars gun

David Fishlock finds a strange irony in one of the UK's first SDI research deals

Laboratory has won a contract to design vital components for one of the space weapons under development in the US Star Wars research programme —for a Russian invention is at the beart of the technology.

The laboratory part of the start of White Horse, A neutral particle beem could travel long distances in the vacuum of space, at close to the speed of light, without the start of the speed of light, without the start of the start of the speed of light, without the speed of light, with speed of light, without the speed of light, without the speed of being distorted by the earth's magnetism, unlike charged-particle beams such as electron

The second role emerged in The second role emerged in the Fletcher report to the US Government in 1983, which led to the SDI programme. A neutral particle beam should discriminate clearly between nuclear weapons and the much filmsler radar decoys released by missiles to confuse eccelerator for generating con-tinuous neutral particle beams. Such beams can strike at very long ranges, because they remain finely focused in the vacuum of space and unaffected by the earth's magnetism, delivering their energy deep inside the target. by the earth's magnetism, delivering their energy deep inside the target.

Early in 1988 the partners plan to assemble at Culham, Oxford, a demonstration called Draconis, an acronym for direct acceleration of a negative ion source. It will combine British and US technology in a type of beam generator which coold be used in industry and medicine as well as space weapons.

A very bright and continuous filmsier radar decoys released hy missiles to confuse defenders. This would allow a defenders, would allow a defenders, would allow a defenders, would allow a defenders, this would allow a defenders, this would allow a defenders, would allow a defenders, this would allow a defender system to concentrate on destroying genuine targets, Unlike laser beams, which heat the surface of the atreet from a nentral particle beam, says Dr Gerold Yonas, chief scientist of the SDI programme. "It beats and melts from the inside out. It is processed to the processed to the surface of t plan to assemble at Culham, Oxford, a demonstration called Draconis, an acronym for direct acceleration of a negative ion source. It will combine British and US technology in a type of beam generator which coold be used in Industry and medicine as well as space weapons.

A very bright and continuous neutral particle beam could have a dual role in a future space defence, say senior SDI Purser are developing a very accelerators. One role was recognized to the compact particle accelerator, led by Tom Green and Andrew

small enough to be put into space. The heart of their tech-nology is a Russian invention called the radio frequency quadrupole (RFQ), which promises dramatic reductions in size and weight.

Three years ago these scientists recognised that Culham might have a kind of bears they could accelerate with their RFQ into a useful weapon.

Culham was studying neutral Culham was studying neutral particle beams as a way of injecting extra energy into JET, the Joint European Torus, a European experiment in controlled thermonuclear fusion adjoining the Culham Laboratory. Neutral particle beams can be fired right through the intense magnetic fields enveloping the experiment. In this way JET's designers hope to super-JET's designers hope to super-beat their plasma with an extra

Holmes have developed a high-voltage negative ion beam source operating at 80 kilovolts. It is part of a collaboration involving the JET team and French physicists at Fontenayaux-Roses. In principle, the source resembles an oldfashioned radio valve, engineered to fire a pencil-fine

heam of negative protons, Fine beams are needed to match the small "windows" of JET. Stability had been one of the big design problems for this type of beam. What excited the SDI scientists was Culham's ideas for generating a very stable beam, of a kind that might be relied upon to per-form perfectly after a long spell of inactivity.

Culham's design also generates a highly collimated beam; that is, it does not fan out like a torch beam, but remains perfectly parallel for long distances.

The Dracouis beam source will be ebout four times as powerful as those Culham has designed for JET. The plan is to develop the beam source to 100 kilovolts and inject it into a new RFQ under development et Los Alamos, which will be shipped to Culham in 1988. Together, the two will make an accelerator about 4 metres long. Culham already has a major test rig called the multi-mega-watt beam line facility, huilt to

test the JET beam sources. The physicists estimate it would cost the project about £5m to

emerges from the RFQ, Culham has another task to perform, in designing the system for neutralising the beam. This can be likened to passing the beam to emerge.

will also need a way of dissipat- a patient's tumour.

they expect to produce in a beam only 2 or 3 mm in dia-meter. Carelessly handled, this beam will do dreadful damage, causing explosions deep inside anything it may strike. Culham and Los Alamos plan to design a safe way of dumping the beam once they have made their mea-

The goal of the SDI neutral beam programme is a high-voltage accelerator small enough to be launched into space. The present target is a device which can be packed inside the cargo bay of the space shuttle.

build this from scratch.

When the accelerated beam the SDI work, He neneves the surge is sources needed for the SDI programme will also industrial uses in the surger is supported in the surger in the surger in the surger is supported in the surger in the surger in the surger is supported in the surger in the surger in the surger is supported in the surger in the the commercial spin-off from the SDI work. He believes the find industrial uses in the surface treatment of large engineering parts to enhance surface strength, wearthrough e finorescent tube about resistance or corrosion resistance or corrosi

implantation. to emerge.

The challenge here is to design a neutraliser which does not degrade the beam's brightness or sharpness.

If Draconis is a success they are a medical treatment, which deposited its energy right inside a nearly representation.

# IT'S ALMOST

Forget the office for a moment if you can, and picture yourself at the helm of the 'Car of the Year, 1986' instead. The Ford Granada Ghia on your left.

The door, with its Chubb high security lock, shuts with the kind of clunk that signals precision engineering and inside it's almost as quiet as the boardroom on a Sunday. No jangling of nerves in here, though you can order a phone straight from your Ford dealer if you're a real addict.

Adjust the seat and the steering wheel, then set the electrically operated. door mirrors - must protect our back mustn't we - and start her up.

The powerful fuel-injected 2.8 litre engine ticks over so smoothly you almost need to check the rev counter to make sure it's running.

Now, what are all those warning lights? The bottom line's for fluid levels, so you hardly ever need open the bonnet. And the diagramatic display on the right tells you if one of your doors isn't properly shut, or an outside bulb has blown. It even alerts you if ice is likely on the road. No slip ups there.

Lights, wipers, indicators? All at your fingertips, Sir. The stalks on the steering column have a particularly well engineered feel. Heating? Six inches away on your left. (Rear seat passengers have separate heating ducts which they can adjust independently.)

Air conditioning is optional. And the sound system is the best we've ever offered on a Ghia, a self-seek FM cassette with six speakers.

Right, you're ready to move off. The automatic is a four speed with an overdrive top. And has a top speed of 127 mph; only 2 mph slower than the manual. While, to balance this performance, you've got ABS brakes as standard, the safest brakes there are.

We think you'll enjoy the Ford Granada. For business, it's the business.





Ultimately the publication by the Lord Chancellor's Department of the Civil Justice Review's consultation paper on Personal Injuries Litigation may prove to have the most far-reaching effects in its impact to the English local extern on the English legal system.

The paper contains several statements of fact which need constant emphasis. More than

county court cases would take within e fixed period after the three years or more. Cases settled by agreement could If there are as many as 5m

tual information from a report by Inbucon Management Con-sultants. The committee con-cluded that "the system is in-

constant emphasis. More than

3m accidents "involving personal injuries" occur each year
in England and Wales: 215,000
on the roads, 350,000 at work,
and 25m elsewhere, mainly in
the home.

Each year more than 25m
injured and sick persons became
"new beneficiaries of compensation payments" from
various sources. In 1984 court
proceedings were started in
some 55,000 personal injuries
cases: 31,000 becam in the High
Court.

The members of the review
committee criticised caustically
two aspects of the present
litigation. One was the time
taken to recover damages. The
other was the financial costs
incurred in the recovery of
damages in comparison with
the amount recovered.

High Court cases took, four,
five, shr or more years from

the amount recovered.

High Court cases took, four, five, six or more years from consulted by a victim of an accident to conclusion and even eccident to start litigation

**COMPAGNIE BANCAIRE** 

Incorporated in France with limited liability. Ragd. Office: 5 avenue Kléber, Paris 16ème.

NOTICE TO SHAREHOLDERS

in accordance with the authority provided by resolutions of an Extraordinary General Meeting of shareholders passed on 25th April, 1985, the Board of Management decided at its

meeting of 11th February, 1986 to increase the share capital of the Company by F.Fr.130,397,900 from F.Fr.1,042,463,900 to F.Fr.1,172,771,800 by an issue of 1,303,079 new shares of F.Fr.100 nominal value for cash. The new sheres will be leaved at a price of F.Fr.600 per share, of which F.Fr.100 represents the nominal value and F.Fr.500 an issue premium.

The new shares will renk part passu with the existing issued shares, except that they will not receive the dividend in respect of the period ended 31st December, 1985, which is expected to

will participate to the same extent in the profits for all financial periods after 31st December, 1985 and in any repayment or pertial repayment of the nominal amount of their capital.

The right to subscribe for the new shares will be limited to holders of existing shares or their assignees at the rate of one new share for every eight existing shares held, except that the belance of new shares not taken up in this way will be subscribed by a group of banks led by Banque Paribas, who are underwriting the issue.

The subscription period will run from 24th February, 1966 to 15th March, 1966, both dates inclusive. Subscription rights which are not exercised during this period will be forfeited. The existing shares will be dealt ex-rights from 24th February, 1986.

shareholders' subscription rights will be negotiable during the subscription period. A holder of existing issued shares may assign his rights to subscribe for new shares. The assignee will then become subrogeted to the rights and obligations of the original holder as regards the exercise of such subscription

All subscriptions must be for whole numbers of new shares. Shareholders who would otherwise be antitled to subscribe for fractions of a new share may sell or otherwise assign their fractional subscription rights to other such shareholders or buy

Under current French law, the rights attaching to shares issued prior to 3rd November, 1984 can only be exercised if the shares have been deposited with a bank or broker. Holders of old registered or bearer share certificates will not therefore be able to exercise subscription rights on the basis of such certificates.

The issue price of F.Fr.600 per share must be paid in full at the time of subscription. No subscription will be accepted without payment and all subscriptions will be irrevocable.

The new shares will be delivered to the order of the allottee during the second half of April, 1986 in registered or bearer form, and will be represented by an account entry in their name: - with a bank or broker of their choice for bearer shares, or with the issuers and, if they so wish, with e bank or broker of their choice for registered shares. application will be made for the new shares to be admitted to

Subscriptions and payments will be accepted without charge at the counters of the head offices, branches and offices of the following banks:-Benque Paribes

Crédit Lyonnais Société Général

Crédit du Nord Banque Nationale de Paris Banque Worms

se Centrale des Banques Populaires

Crédit Industriel et Commercial de Paris Banque de l'Union Européenne Banque Vernas et Commerciale de Paris

Crédit Commercial de France

Banque Indosuez Crédit Foncier de France

be paid on 2nd April, 1986. Both the new and the exist

come apparent.

If the limitation period for e

by Inducon Management Consultants. The committee consciled that "the system is inefficient. It is dilatory. And it is disproportionately expensive." What suggestions did the committee make for improving the system?

The committee, relying on the inducum report, noted that a high proportion of the total time taken to resolve a case elapsed before proceedings had

of specially qualified lawyers seems calculated to impose an unnecessary restriction on the right of a professional person

The committee suggests that for smaller cases there should be a special cheap and accessible system of paper adjudications. The adjudicator would reach his decision after reading and considering witness statements and expert reports, all of which would be on paper in some prescribed form. Is this e suitable way of dealing with cases where there is in some prescribed form.

Is this e suitable way of dealing with cases where there is conflicting evidence as to how the accident occurred or as to the effects of the occident on the victim's health or earning capacity or ability to enjoy or cope with life?

Should a public find be set up to compensate victims of accidents and spare them the anxieties and vicissitudes of liftingation? Should there not be a greater public awareness of the frequency of accidents end the need and steps to avoid them?

cope with life? Even in smaller cases there

DIFFERENT persons may hold different opinions as to what was to enter the section of the law last week. The Duke of West-minister's fallure to have legislamized as tarted. Even when the case minister's fallure to have legislamized as tarted. Even when the case that man rights was moment declared a contravention of human rights was moment of human rights was moment from the fallure of have as dathed it took nearly two of human rights was moment for leavehold enfranchies—when all the parties were ment of hard fallure of have legislamized as the chairman of the Bar Council's success in obtaining leave to apply for judicial review of the Lard Chine Justices were declared as timely. So may should right of the professional rights of the from any little from of the civil success of the frequency of the from the judiciary to comment on cut-rent controversies.

Ultimate rules, which restrict the freedom of members of the judiciary to comment on cut-rent controversies.

Ultimate rules, which restrict the freedom of members of the judiciary to comment on cut-rent controversies.

Ultimate rules, which restrict the freedom of members of the judiciary to comment on cut-rent controversies.

Ultimate rules, which restrict the freedom of members of the judiciary to comment on cut-rent controversies.

Ultimate rules, which restrict the freedom of members of the judiciary to comment on cut-rent controversies.

Ultimate rules, which restrict the freedom of members of the judiciary to comment on cut-rent controversies.

Ultimate the fight court in the fligh Court in a year?

An unnecessary response to a popy for judician proposition of the constitution of the constitution with a year pass before the fuel cause they decide the accident to a year?

When all the parties were of the case they are active to the first acting for the citius at year pass before the fuel cause they decide the accident to a year?

The committee and or all requires ment to the citius the proposition of the citius and of the steps necessary to the constitution

Justinian

NOTICE OF REDEMPTION To the Holders of

WELLS FARGO & COMPANY

12 1/2 % Subordinated Notes Due December 27, 1991, Series A

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Section 4 of the Series A. Notes and Article Three of the Indenture dated as of December 27. 1984 between Wells Fargo & Company and Morgan Gustanty Trust Company of New York, Trustee, U.S. \$5,743,000 principal amount of the Notes has been selected for redemption on March 26, 1986 at a redemption price of 101% of the principal amount thereof, together with accrued interest to said date in the amount of U.S. \$31.21 for each \$1,000 principal amount, as follows:

08 11 13 14 19 35



Payment will be made in U.S. dollars on and after March 26, 1986 upon presentation and surrender of the above Notes with compons due December 27, 1986 and subsequent compons attached, subject to applicable laws and regulations, at the offices of the Trustee in London, Brussels, Frankfurt am Main and Paris, Swiss Bank Corporation in Basile and Kredicthank S.A. Lanembourgeoise in Laxembourge, Payments may, at the holder's option, be made by a check drawn on a dollar account of the Trustee in New York City or by transfer to a dollar account in a bank in Europe.

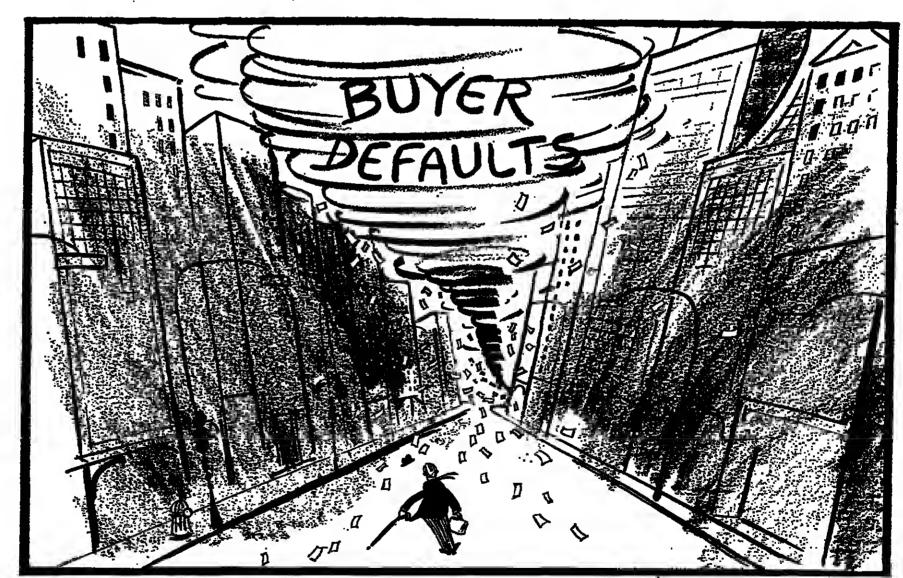
Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding of 20% of the gross proceeds if payees not recognized as excempt recipients fail to provide the paying agent with an executed IRS Form W-8 certifying under penalties of perjury that the payee is not a United States person or an executed IRS Form W-9 certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on Internal Revenue Service Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

On and after March 26, 1986 interest shall cease to accrue on the Notes herein selected for redemption and all conditions precedent to such redemption shall have occurred.

WELLS FARGO & COMPANY

**WELLS FARGO & COMPANY** 

## Many exporters still consider North America to be a safe place.



The fact is, North America is not the sure bet that some might believe.

World recession has taken its toll even on markets like Canada and the USA, pushing more and more companies into serious financial difficulties.

A measure of this recession can be seen in the level of claims paid by ECGD against defaults by North American companies.

In the three years since 1982 annual payments have increased by a massive 86%.

This volatile financial climate makes it

difficult for the exporter to predict when or if a problem will arise. It does not, however, stop him from protecting himself against the serious financial damage of not being paid.

If you consider all the facts, you can't help but consider ECGD's export insurance schemes. They could make things a lot safer.

For a new policy-holder with an annual export turnover of £5m, with most buyers based in markets like North America and Western Europe, a typical premium for comprehensive short-term credit insurance could be £33,000 or less



EXPORT CREDITS GUARANTEE DEPARTMENT HEAD OFFICE: LONDON EC2 01-382 7777,
0272 299971, CAMBRIDGE 0223 68801, CITY OF LONDON 01-726 4050, CROYDON 01-680 5030, GLASGOW 041-332 8707, LEEDS 0532 450631, MANCHESTER 061-834 8181. REGIONAL OFFICES: BELFAST 0232 231743, BERMINGHAM (121-233 1771, BRISTOL 0272 299971

Company of the compan Teners desired part Sections of the last section in the last W. S. Com C

MOVING MALENCI MALENCI

Add by the

The state of the s

Marchael Mar

ALL STREET

1

tante 220 541 riritat Cas THE STATE IN F. ANT THE REST 7.2:00 2: 120 mg f: IT TIME COME THE STREET ! TO THE PROPERTY SECTION AND FEW TEAT the franchis 400 11120 to Batte 1987.

erus cales (pri ibe gren ? merical tardi

Banque Beige Banque de Gestion Privée In the United Kingdom: S.G. Warburg & Co. Ltd.

in France:

Crédit Lyonnais Société Générale An application is being made for the new shares and the subscription rights to be quoted on the Paris Stock Exchange. Dealings in the subscription rights are expected to commence in Paris on 24th February, 1986 and in the new shares during the cond half of April, 1986.

Banque Paribas

Copies of the offering document, together with an English translation, are available at the offices of S.G. Warburg & Co. Ltd. at 33 King William Street, London, EC4R 9AS.

André Levy-Lang President of the Board of Management COMPAGNIE BANCAIRE

Long-term

'pushed out

of market'

AN ANALYSIS by the London Business School (LBS) of the sharp rise in long-term unemployment in Brit-

lines the bleak prospects facing people who have been out of work

It argues that many of the long-

term unemployed have now been effectively pushed out of the labour market, strengthening the case for

The ratio of long-term unemployment to the overall jobless total has risen from 25 per cent to 40 per cent since 1989 and shows no sign of de-

clining. Over the same period the proportion of people who have been on the official register for less than three months has fallen from over

40 per cent to just over 25 per cent

out of the jobless register during 1984 shows that the longer an indi-

vidual is unemployed the longer that person can expect to remain

so. In 1984, for example, someone

who had just become unemployed

"Far from it being a question of

The LBS study of flows into and

iobless

NUTICE OF REDEMPTION

#### **BURLINGTON OVERSEAS CAPITAL N.V.** tnow, aurlington industries, inc.i

7½% Guaranteed Debentures due 1987

NOTICE IS HERERY GIVEN that, pursuant to the provisions of the indenture duted as of April 1, 1972, providing for the above Debentures, there will be redeemed for account of the Sinking Fund on April 1, 1986 tibe "Redemption Date", \$1,173,000 principal around of the 7½% Gustanteed behanders due 1987 the "Bolesmores", at the redemption price of 190% of the principal amount thereof plus accrued interest to the Redomption Date.

| The merial numbers of the Debentares which have been selected for the Recomplian transfer of the Debentares which have been selected for the cache bearing the prefix letter "M"] are:

| 1 | 1967 | 1966 | 2862 | 4847 | 1966 | 9713 | 1194 | 1972 | 1795 | 1796 | 1986 | 1847 | 1798 | 1987 | 1798 | 1988 | 1987 | 1798 | 1988 | 1987 | 1798 | 1988 | 1987 | 1798 | 1988 | 1988 | 1798 | 1798 | 1798 | 1798 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1798 | 1798 | 1798 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1798 | 1798 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 |

either, at the option of the holder, at the office of Chemical Bank. Carporate Trust Tyllers, 55 Water Street, New York, New York 1004] or at the main office of Chemical Baok, in London and Brussels, or at the main office of Algemene Bank A.G. in Amsterdam, or at the main office of Heurschu Bank A.G. in Frankfurt or at the main office of Banca Commerciale Italiana in Milan, or at the main office of Credit Lyonnais in Paris, or at the main office of Kredietbank S.A. Luxembourgeoise in Luxembourg.

or at the office of Swiss Bunk Corporation in Switzerland. Interest on the Debentures so designated for redemption ahalf cease to accrue on and after the Re-demption Dutr. All coupons muturing after said date which appertain to such Debentures shall be void. Coupons muturing oo April 1, 1866, should be detached and surrendered to payment in thu usual manner.

BURLINGTON INDUSTRIES, LIIC.

DATED: February 21, 1986

### Frozen foods battle heats up

FOUGHER COMPETITION and tightening margins last year cast a cloud over recent advances in the British frozen food market, according to figures published by Ross, a division of Imperial Group, the UK foods and drinks conglomerate.

Total industry sales rose 8 per cent in volume but only 8 per cent in value, contrasting sharply with the 4.5 per cent volume and 13.5 per cent volume and 13.5 per cent volume and 13.5 per cent volume and 19.5 per cent volume and

Even so, the industry outperformed many other sectors of the food trade, according to Mr Nigel Worne, the company's marketing

Launching the fourth annual Ross report on the industry in London at the weekend, he said the market was worth more than £1.5bn at retail prices. The average household spent £74 on goods from

shop freezer displays.

By contrast, the £890m tea and coffee market feil 5 per cent, and breakfast cereals sales rose only 3

per cent to £580m. Ross, which based its review on statistics from the independent AGB organisation claimed that the en food market had doubled in

value in the past five years.

Much of the impetus behind last
year's advance derives from strong growth in sales of meat-based proc icts. Last year the sector accounted for 34 per cent by value of all frozen food sales.

Volume sales of meats rose 7 per cent in 1985, with a 12 per cent in-crease in value. In 1984, a 13.5 per cent volume increase produced only 4 per cent rise in value. Within the meat sector, read

meals have shown particularly strong growth. Worth about £5m year three years ago, it produced £60m in sales during 1985. There are about 300 differen

chairman of the Gaming Board and a former senior civil servant, died on Saturday after a climbing acci-dent in Snowdonia, types and brands of frozen ready meals competing in the UK market, Mr Worne said.

ter falling 1,000 ft on the 3,560 ft Mount Snowdon, the highest mounthe UK after Bird's Eye, the Unilever subsidiary, claimed to have in-creased its market share last year tain in Wales. He was an experiby almost one point to 9.1 per cent; enced and enthusiastic mountain-

150 r

### Treasury considers tax on financial services

THE TREASURY is considering a new tax on the financial services industry in the run-up to the March 18 budget. It faces a number of legal and technical burdles, however, and there are some doubts over whether these can be removed before the

Mr Nigel Lawson, the Chancellor of the Exchequer, is expected to begin finalising his budget options in the next few days. Raising cash from the City of London is seen as politically attractive for a number

In recent weeks Treasury offi-cials have been carefully analysing the whole range of financial trans-actions which pass through the City of London's bank clearing systems. These include straightforward cheque payments and credits from the banks and building societies

raise several hundred million pounds for the Exchequer. One of its attractions would be that any revenue raised could be used to offset a reduction in the 1

A tax on such transactions might

per cent stamp duty payable on the sale and purchase of stock ex-

Mr Lawson, who halved stamp duty in his 1984 budget, is thought to be keen to reduce it further before the so-called Big Bang in the City of London in October.

The slump in the UK Government's revenues resulting from the fall in the oil price, however, has sevre, and he will be anxious to avoid doing anything which might be seen as signalling special conces-sions for the City of London.

The Treasury has been studying trying to pron ways of imposing a permanent tax nancial centre.

on the banks since Sir Geoffrey Howe, the then Chancellor of the Exchequer, introduced a windfall levy in his 1981 budget. These have focused on a possible tax related either to their balances or

There are considerable pradifficulties. It might prove impossi ble to prevent the banks from simply passing on any extra liability to their customers while the imposi-tion of any form of value-added tax on financial services is prohibited

by European Community law.

The new status of the building societies means any tax might also have to be applied to them to avoid the charge of unfair discrimination against the banks.

The Treasury will also be anxious to avoid driving banking transac-tions offshore at a time when it is trying to promote London as a fi-

### Lord Sieff to head new daily

£16m is being launched today.

A prospectus was approved on

Friday and the task of approaching

potential investors begins today.

BY RAYMOND SNODDY

LORD SIEFF, 73, is to become chairman of Newspaper Publishing, the company planning to launch the new quality daily newspaper The

endent in October. The former chairman of Marks and Spencer, the retail group, will take on the role as soon as the sec-The aim is to raise £7m in equity and £9m in loan stock within the next six to eight weeks to add to the ond round financing of the project

Mr Andreas Whittam-Smith, editor and chief executive, said yesterday Lord Sieff had been chosen because of his business experience in the consumer area and his knowledge of public affairs. The second

**OBITUARY** 

£2m already raised.

There have already been expressions of interest in investing in the new newspaper from publishing

wholesalers. The company has now sent out

SIR ANTHONY Rawlinson, the eer. After being president of the Ox- in the Treasury. He served as eco-

ford University Mountaineering Club he was close to selection for

the successful Everest expedition of

Educated at Eton and Oxford,

and following service in the Gren-adier Guards, he entered the Civil

Service in 1951, initially in the Min-

istry of Labour, though later mainly

produce the newspaper, including terminals for full-page make-up on

Mr Whittam-Smith said yester-day that five or six major advertisers had already been in touch wanting to advertise in the opening issues of the paper.

The Independent, which is to be aimed at the middle to upper end of the newspaper market, is on schedletters of intent for nearly £5m

could, on average, expect to be without a job for about 11 months. For someone who had already been out of work for a year, however, the average duration was a further 22 months.

ule to be launched in the first week of October, according to Whittam-Smith.

nomic minister in Washington in the mid-1970s, returning to the Treasury to head the public spend-ing side from 1977 to 1983.

Sir Anthony became joint perm

nent secretary after the creation of

the Department of Trade and In-dustry in 1983. He retired last year,

becoming chairman of the Gaming

first in/first out, or even all the unemployed having an equal chance of having a job, those who have just lost work push to the front of the queue for new jobs," the LBS says. The implication is that the tradi-Gaming Board chief dies on Snowdon

tional market-clearing mechanism whereby the wages of those in work should adjust downwards to bring a return to full employment has virtu-ally ceased to operate as far as the long-term jobless are concerned.

That, In turn, is likely to mean that long-term unemployment is serving little counter-inflationary purpose. "It follows that a reduction of long-term unamalar of long-term unemployment will have little if any effect on wage inflation and therefore carries no inflationary risks," the LBS says.

### t Advertisement

February 1986: Vol. 15, No. 2 Tertiary industry will be leading player in

propping up Japan's domestic demand The yen's appreciation licular - have dropped against the U.S. dollar in the drastically since the Group of wake of the Group of Five agreement last September has Five agreement. Mirroring this trend, the yields of Japan's long-term bonds have turned to been gradually affecting the decline. Long-term prime rates Japanese economy. 'From a were raised to 75 per cent on long-term perspective, lhe

higher yen will be a catalyst to shift the Japanese economy from export in domestic demand-led growth. Although the adjustment process is expected to be steep and hard, the first step has now been made toward

Lowering interest rates

Short-term interest rates monetary authorities since fast tictober in an attempt to stabilize the yea's appreciation The higher rates, however, began falling rapidly from yearend towards the beginning of the year. This was mainly because the Japanese corrency has remained stable at around 200 to the dollar since mid-Suvember

Interest rates in the U.S. -long-term interest rates in parDecember 2 from 7 0 per cent, but were lowered to 7.2 per cent less than one month later December 281.

Widespread effects of higher ven

llow has the appreciated yen been affecting the Japanese

First of all, the higher yen is exerting some downward pressure on prices. Wholesale prices in December dropped 4.2 per cent from the same month last year. An immediate im-pact has yet to appear on consumer prices, but wholesale prices will work their way through to consumer prices for

the months ahead As lur the higher ven's impact on enrorate performance. the Bank of Japan's corporate short-term business survey

#### Activities of Tertiary Industry | Index: 1990 m graps = 100; third quarter of 19851

			•	
(xerall				 120
Electricity, gas, water su				
Transportation and comm				
Transportation				
transportation				
Tourist agency				
Communications				
Telephone services .				
Wholesale				 (29
Wholesale of machiner	and eou	oment		 142
Whole-ale of pharmace				
Hrtailing				
Finance and insurance				
Financing				
Insurance				
Real estate				
Services				
Consumer-oriented ser	vices			 114
Business oriented servi				
Leasing				
Advertising				
Public services				
Public administration				
LANK Amunici Strain				 1150

Source: Ministry of International Trade and Industry

London Branch: 4th & 5th Floors, P&O Bldg, Leadenhall Street, London EC3V 4PA, England

Tel. 01-283-0929 Subsidiary in London: Dar-Ichi Kangyo International Ltd., Garden House, 18 Finsbury

Circus, London EC2M 7BP, England Tet. (01) 920-0181 Associated Companies in London: Associated

[17] Angrees, Cherago, Baruma, Dussendon, Lager, Gera, Sergagene Housevering, Representative Offices in: Mountain, San Francisco, Augusta Terretor, San Pande, Memor Cit., Comun., Brances, Ang., Francisco Pang, Ringon, Sector-in: Butterior, Memor Madis Langua, Barryoni, Pengan, Strangtha: Countries in: Systems, Memory Responses, Foundain, American, Jurich, Hong Kung, Sydney Associated Companies in: San Pande Hong Kung, Sydney Associated Companies, Sydney Pande Hong Kung, Sydney Associated Companies in: San Pande Hong Kung, Sydney Associated Companies in:

Japanese Bank (International) Ltd. European Brazilian Bank Ltd., International Mexican Bank Ltd.

Head Office: 15 U. nearwhethe to home I heads for, Token 100, sepan fee 100, 496 1111 Branches and Agency in: New York

Isuch as textiles, paper, oil, from and steet, etc.) and the non-manufacturing industries (such as utilities, transportation, services, etc.), while it will adversely allect the processing industries. The ratio of pretax recurring profits to total sales of the hasic materials industries, a vardstick of cor-porate profitability, will increase to 1.48 per cent in the current half-year business term ending next March from 267 per cent in the preceding half-year term ended September

1985. Similarly, the ratio for the non-manufacturing industries will rise to 1.77 per cent from t 32 per cent, according to the survey. The ratio in the procespected to drop to 4.76 per ceni. from 5 52 per cent, although its protit level is still high. The higher yen has already begon affecting employment. The number of employed persons, which increased 14 per cent in the first quarter of 1966, has been slowing down in

carried out io November in-

dicales that it will benefit the

basic raw materials industries

October 1985, it gained merely 0.3 per cent. This was mainly due to the cutback in the newlyemployed by the manufactur-ing industries in order to cope with the slowing exports. In contrast, the number of the emplayed in non-manufacturing industries which benefit from the yen's appreciation has been steady with little fluctuations. Their rate of increase in the number of employed persons has exceeded that of the manulacturing industries since the third quarter of 1985, registering a 1 t per cent gain in Deto-ber 1985. This upward trend is likely to continue well into the tuture. Employment in the manufacturing industries is unlikely to rise remarkably, considering a slowdown in exports

and an expected increase to their overseas production.

As far as the balance of payments is concerned. The higher yen has not developed the desired reduction effect on the

Expert velui

110 Activity of tertiary industry Mining-manufacturing production index

Steady Activities of Tertiary Industry

(Index: 1980 overage=1001

surplus is still expanding. In Uctober and November, Japan registered a trade surplus of \$5.2 hillion and \$6.4 billion, respectively, by far in excess of the average monthly trade sur-plus of \$4.5 hillion in the first half (April-September) of the current fiscal year. The expansion is mainly due to the fact that roughly 40 per cent of Japan's exports are dinominated in the yen, which bloat upon translation into dollar-decominated exports. Japan is likely to continue running a heavy trade surplus until the higher yen begus to bite on holding down export volume and increasing import

trade surplus Japan's trade

Tertiary industry: leading player in domestic demand expansion

The tertiary industry is playing a major role in Japae's domestic economy, accounting for 6t per cent of the nation's nominal gross domestic pro-duct (GDP) and giving jobs to 57 per cent of all the employed persons. According to a survey by the Ministry of International Trade and Industry, activities of the tertiary industry in the third quarter of 1985 expanded 20 per cent from 1980

Land tronsportation, tourism and lelephone services expanded at relatively high rates among transportation and communications industries. Whole-

Source: Ministry of international Trade and industry. salers saw a relatively high growth particularly in the field of machinery and pharmaceu-

ticals. service industries was limited to to per cent as personal and public services were lackluster. However, services for corporate lusinesses, centering un leasing and advertising. jumped op by nearly 40 per It is ginte likely that the ler-

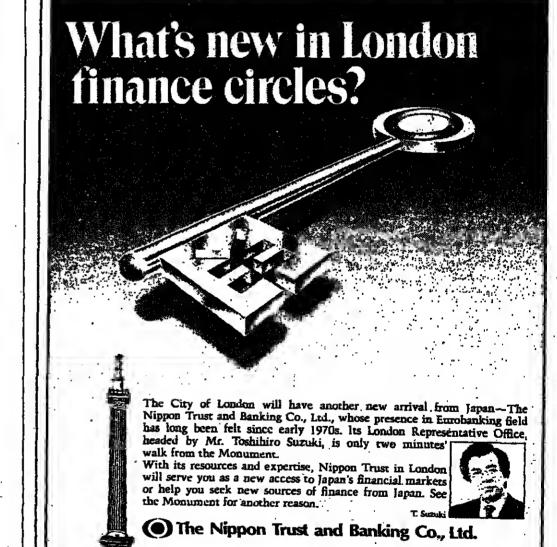
fiary industry will continue to heneful from the years ap-preciation. For example, utilities relector power and gast will take full advantage of limer fuel costs The progress of lower interest rates due to the higher yen will result in decreased rentat fees and promine leasing. Aside from. this, deregulation will have a tonic effect on such industries as transportation and comnunications.

The artivity of the tertiary industry has been steadily in-ircusing, although the miningmanufacturing production unlex is vulnerable in export trends (Thart). Export environments are not lavorable in coming months because of the higher ven and deep-rooted protectionist movements in the migor export markets. Under these circumstances, the tertiary industry is expected to become the pillar of domestic demand expansion on the higher ven and deregulation.

Talk it over with DKB. The international bank that listens.



The next DKB monthly report will appear March 24.







We are pleased to announce the opening of our Representative Office in Tokyo

London Representative Office: 22 Lovat Lane, London EC3R 8EB

Telephone 01-929 2916 Telefax 01-929 3165 Telex 267188 NTBLDNG

当社の東京事務所の開設を御報告申し上げます。

For further information please contact:

R.L. Crispin Chief Representative 4th Floor, Shin Nisseki Bldg. 4-2. Marunouchi 3-chome Chiyoda-ku, Tokyo 100

Tet (03) 213-4011 Fox (03) 213-4017 TIX: J33912 OPPLAIN G

### Kinnock plans to scrap present labour laws

A FUTURE Labour government would repeal all the industrial rela-tions legislation enacted by the er, said yesterday. He said it would be necessary to

mido the lot." It would be no good fidding around with this and pieces of legislation. Labour would have to "clear the deck."

He made it clear, however, that Labour would replace present laws with new ones while retaining some

bour would change the law so that employers would no longer be able to dismiss workers because they go

The present law, which existed under previous Leitour administra-tions, has been criticised after Mr Rupert Murdoch, chairman of News International, dismissed 6,000 print workers in a dispute involving Mr Murdoch's high technology plant at Wapping, east London.

Mr Kinnock said Labour would . officials. horrow from European legislation, which prevented striking workers from being dismissed. He believed the European system could be op-

erated justly and fairly in the UK. A similar view was given in a weekend speech by Mr John Prescott, Labour's employment spokes blamed the Government's industri-man. This is the fourth in a series of all relations law for encouraging

The Court of the C

\*\*\*\*\* 225

. . 77.23

. . . Ev-100

 $\mathcal{A}^{\mathbf{I}}$ 

today's meeting of the Trades Union Congress - Labour Party liai-son committee, which is drawing up

They both made it clear, how that there could be no return to the pre-1979 framework when legal imcity could be claimed for nearly

a new policy on industrial relations

all forms of industrial action.

Mr Kinnock said the Labour Party would try to replace immunities with a system of "positive rights and responsibilities." This would alwith new ones while retaining some features of present laws such as and responsibilities. This would are ballots on the election of union officers on political funds.

With a work of the would are possibilities. This would are ballots on the election of union officers and employers to negotiate in good faith without using the work of the present of cials and on political funcis.

Speaking on Channel Four television's Face the Press, he said Lait in the Wanning dispute. it in the Wapping dispute.

Mr Prescott looked to the system being considered in the Irish Republic which, he said, would trantee the rights and fre of both parties and individuals to an industrial dispute.

Mr Kinnock said union ballots would be retained in "a variety of forms." There would not be any hig changes in systems which allowed the rank and file more say in deci-

Ballots on political funds ensured full political involvement by mem bers and should he sustained.

Mr Prescott told a Labour Party conference in Hull that the Wan ping dispute was an affront to common sense and decent practices. He such bitterness and said it was a disgraceful episode.

### Pledge to expel . members of **Militant**

By John Hunt

A BITTER confrontation between tional executive committee meets on Wednesday to consider the result of the party's inquiry into the activities of Militant Tendency, the extreme left-wing group,

Mr Neil Kinnock, the Labour I eader, said yesterday that if there was firm evidence of people being members of Militant Tendency they would be put out of the party.
"That's what I've said for a long

time and that's what we'll stick to, he said. A group of left-wing MPs, including Mr Tony Benn and Mr Eric Heffer, has put down a motion for the Wednesday meeting giving a warning against a witch-hunt over Militant's activities.

They are expected to resist any move to start expulsion proceedings against 10 leading Labour party fig-ures in Liverpool, including Mr De-rek Hatton, deputy leader of Liver-pool City Council.

The motion, which gives a warning against the party being en-guited in "thought control", also has the backing of Labour MPs Miss Jo Richardson, Miss Joan Maynard and Mr Dennis Skinner.

### Morgan tones up financial muscle Database

THE PLAN to merge Morgan Gren-fell, the merchant bank, and Exco, the financial services group, brings together two successful City of London enterprises that have expanded

Both lost key top men at a crucial time. Mr Bill Mackworth-Young, chairman of the Morgan Grenfell bank, died suddenly in late 1994, and Mr John Gunn, the driving force behind Exco and its chief execu-

Morgan Grenfell is famed for its corporate finance business, and it emerged at the top of the 1985 league table for mergers and acquisitions activity. But it has been hesitant in moving into the securities market, picking up only two middleranking firms – brokers Pember & Boyle, best known for gilt-edged, and jobbers Pinchin Denny – for which it is paying a combined £31m. This is a comparatively mod-est investment by the standards of the outlays of many other banks.

Although Morgan has empha-sized its wish to develop a role in the securities markets, in New York and Tokyo as well as London, it may have been financially con-strained by its position as a private company. It considered obtaining a listing in 1985, but in the event decided only to keep the matter "un-

Barry Riley examines the change in strategy bringing together Exco and Morgan Grenfell.

hugely in the past five years but
In mid-1985 it obtained equity
which have previously hung back
trom making major strategic investments to exploit the opportunities arising from the City

not become clear though "co-operaresolution" tion" was promised at the time.

In complete contrast, Exco has become overloaded with cash, much of it arising from the sale last July of its 52 per cent stake in the US fi-nancial information company Teler-ate for \$460m. Including existing resources, that left Exco with something approaching £400m of net cash to spend on expansion else-where in the financial services busi-

Even before July, Exco had been criticised for over-eagerness in raising cash through rights issues. At around that stage in the group's de-velopment Mr Gunn justified his position in terms of the need to be ready to take advantage of invest-ment opportunities in possibly ad-verse financial circumstances. In the meantime, he did not wish to pay huge sums to buy high goodwill businesses such as stockbroking

co's attempt in 1984 to set up a new broking member firm. However, the group has built up a stockbroking firm called WICO, Galloway & Pearson, which consists of elements of two existing medium-sized Lon-

don firms plus WICO, which has a strong Far East orientation. But Exco's main operating activities still lie in the area of money broking from which the group arose in the mid-1970s, with the addition of businesses in specialist areas such as forfaiting, leasing and fu-

tures broking. Exco is one of three independent financial groups - the others are J.
Rothschild Holdings and Mercantile House Holdings - which have
set out to build international financial services organisations only to be forced to unwind at least some of In Exco's case there has been fur-ther embarrassment from the

change of ownership of a large chunk of its own shares, originally held by British & Commonwealth Shipping. After controversial stock market transactions in November 1985, the Malaysian financier, Tan Sri Khoo emerged as a 22 per cent shareholder (subsequently raised to around 27 per cent). This has left the cash-rich Exco worried about being taken over.

It appears that the idea of a deal with Morgan Grenfell was first hatched around Christmas, and has been actively negotiated in the past couple of weeks.

Morgan's strategy for the City revolution became clearer last Sep-tember when it announced a re-

structuring of its merchant banking activities into separate banking securities trading and investment management arms.

But rivals pointed to the relative-ly small amount of capital available to support the group's activities. In the post-Big Bang environment it is generally expected that the major corporate finance houses will need to support their new issue and merger activities with strong disution networks, with a parallel ability to finance huge bought deals and block trades.

The Exco deal will give Morgan Grenfell access to enormous new capital resources and at the same time will bring it to the stock mar ket. Curiously, it promises to make the combined group bigger in terms of market capitalisation than Morgan Stanley, its distant cousin in vestment bank in New York which also happens to be in the process of going public at present. The two banks are no longer connected, but share common 19th-century origins.

If the deal goes through, Morgan Grenfell will potentially have the fi-nancial muscle to compete with the other big UK securities market pretenders such as Mercury and Kleinwort Benson, and with US names such as Morgan Stanley and Goldman Sachs.

All the same, Morgan Grenfell still has some way to go to catch up with some of its competitors in developing global networks which tie

### market 'growing at

THE UK market for business databases is now worth £20m a year and is growing at a rate of 50 per cent a

year, a new study argues.

The database market is expa ing because of the increased use of micro-computers in business, growing awareness of the potential of databases and a stream of new database services, the report on the marketing of online business in-

formation argues.

There are now about 10,000 customers using databases such as Textline ECC and Predicasts. Average users are spending £150-£200 a month using databases to retrieve information on company account or research information in newsp

pers and the trade press.
Increasing business makers are using databases as wel

as company librarians.

Detailed case studies of how con panies use databases suggests that the British online industry can only achieve its full potential if more is spent on market research and ownership

How to Market Online Business Information to End Users by Paul Ormerod. Headland Press Freepost

## AIR CALL BLEEPERS I'M ON AIR CALLI

## **GIVEME**

When you want to stay in touch with people, wherever they are, wherever they go, Air Call bleepers do it for you. From a simple bleep to a written sage, they're right for your pocket - physically and

For two-way communication, Air Call offer mobile radio and cellphones - with a choice of Cellnet or And behind all the hardware? The most comprehensive and sophisticated range of communications

support services you could wish for. Telephone answering and message handling, call forwarding, action reminders, appointment-making, and more. And your calls are answered by real people - not machines. Being on Air Call is

like having a PA at your service, Don't just be on air - be -

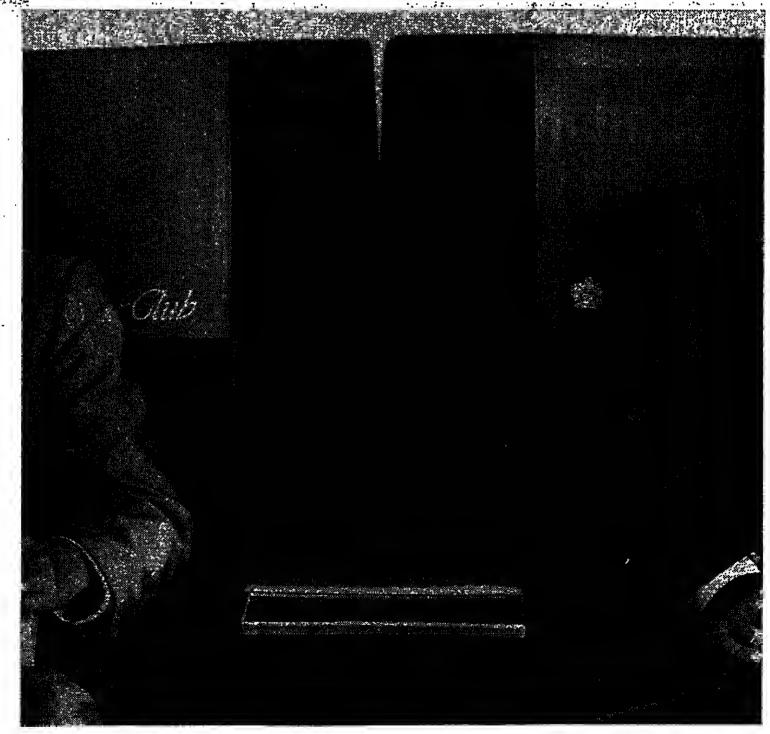
on Air Cail. Phone 01-200 0200 today!

#### BASE LENDING RATES

1219 M Guinness Mahon

ADI DELLA sociationes	~ 20 =	COLUMN TOWN	
Allied Dunbar & Co.	121%	Hambros Bank	
Allied Irish Bank	121%	Herftable & Gen. Trust	17.4
A mariera Express His	1215 1	Hill Samuel	121
Amro Bank	1219	C. HOSTE & CO	وعد
Henry Ansbacher	123%	Hongkong & Shanghai	12]
Amro Bank Henry Ansbacher Associates Cap. Corp	12 <del>1</del> % '	Johnson Matthey Bkrs.	
Bauco de Blibao		Knowsley & Co. Ltd	
Benk Haposlim	219.	Lloyds Bank	
Bank Leumi (UK) BCCl Bank of Ireland	L2±%	Edward Manson & Co.	
PCC!	219	Meghraj & Sons Ltd	
Bank of Ireland	219	Midland Bank	
Bank of Cyprus	219	Morgan Grenfell	12]
Bank of India	219	Mount Credit Corp.Ltd.	12 į
Bank of India	216	National Bk of Kuwait	Į2į
Banque Belge Ltd	218	National Girobank	
Barelays Bank		National Westminster	
Beneficial Trust Ltd	21.00	Northern Bank Ltd	
		Norwich Gen. Trust	
Brit. Bank of Mid. East	010	People's Trust	
Brown Shipley	2.70	PK Finans, Intl. (UK)	191
CL Bank Nederland.		Provincial Trust Ltd	
Canada Permanent		R. Raphael & Sons	
Cayrer Ltd	319		
Cedar Holdings	18 % -	Roxburghe Guarantee	
Charterhouse Janhet	217	Royal Bank of Scotland	
Citibank NA		Royal Trust Co. Canada	
Citibank Savings	224	Standard Chartered :	
City Merchants Bank	219.	TCB	<u> 121</u>
Clydesdale Bank	214	Trustee Savings Bank	12 Į
C. E. Coates & Co. Ltd. 1		United Bank of Kuwait	
		United Mizrahl Bank	12i
Comm. Bk. N. East		Westpac Banking Corp.	121
Consolidated Credits	121 Xb .	Whitenway Laidlaw	
Continental Trust Ltd.		Yorkshire Bank	
Co-operative Bank*	21%	TOTALLE DELLE	43
The Cyprus Popular Bk.	12 <del>1</del> %, =	Members of the Accepting H	005
Duncan Lawrie	24%	Committee,	

## Super Club to North America. Even when it's full, it's not.



British Airways Super Club is rather popular these days.

It could be the six abreast seating, the award winning service, or even the fact that we fly to fifteen cities in the US and three in Canada.

Whatever the reason, you may find all the seats have been taken.

Don't worry.

Unlike other airlines we won't send you away disappointed.

We'll send you away First Class instead at absolutely no extra cost (to you, that is).

Or we might even send you on Concorde if you've booked a Super

IF NONE OF THESE IS MAILABLE, WE'LL CARRY YOU IN ECONOMY AND GIVE YOU A FREE ONE-WAY SUPER CLUB TICKET OR THE EQUIVALENT VOUCHER FOR REFLIND. THIS OFFER IS ONLY AVAILABLE TO NORTH AMERICA EXCLUDING ANCHORAGE FROM 5th JANUARY TO 21st MARCH 1986.

Club flight to New York, Miami, or Washington D.C.

British Airways would like to apologise to its passengers for any inconvenience this may cause.

**BRITISH AIRWAYS** The worlds favourite airline.

## "IF YOU don't lobby, the government assumes you don't bave any problems," says Sir

Ronnie Halstead, former chairman and chief executive of Beecham, the UK pharmaceu-ticals group. Still slightly bemused by his unceremonious sacking last November, allegedly sacking last November, allegedly for spending too little time running Beecham, Sir Ronnie defends the time that he spent with ministerial and other contacts in Whitehall, and on various public-spirited jobs like chairman of the knitting EDC from which unlikely base he scored a notable victory in persuading tha Treasury to make importers pay VAT when

make importers pay VAT when bringing in their goods.
"These activities raised Beecham's profile in Whitehall. They were good value for the company," he says.
Whitehall acknowledges that Sir Ronnie is a pretty shrewd operator on the political circuit, and his views were sufficiently well appreciated for cuit, and his views were sufficiently well appreciated for him to be one of the select band of industrialists whom the Prime Minister would call in for a chat from time to time. In company with other businessmen like Sir Hector Laing of United Biscuits, Lord Sieff of Marks & Spencer, and Sir Patrick Meaney of the Rank Organisation he would be asked

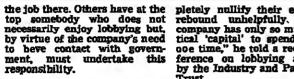
Organisation, he would he asked for his opinions on the general state of business and the

Beecham is a group which has plenty of cause to need such contacts. When he became chair-man and chief executive in the er of 1984, Sir Ronnie was confronted with a government determined to cut the rising cost of National Health Service drugs. It belped that he could call on the Health Minister, then Kenneth Clarke, Sir Kenneth Stowe, the DHSS Permanent Secretary, and the senior civil servants dealing with the issue. This does not mean that Beecham, and the other pharmaceutical companies, won the battle. The Government issued a restricted list of drugs that doctors could prescribe, and started negotiations on the com-

The point is that these big companies know how to go about their lobbying," says an ex-civil servant who used to be on the receiving end of this discreet pressure from com-panies. They don't always win, and it isn't right that they should. But their case does not

### The art of lobbying is becoming a profession'

Hazel Duffy explains why contacts with Whitehall are so important to companies



Increasingly, in the higgest companies and banks, the art of lobbying is becoming a pro-fession. Like their American counterparts, which unashamediy pursue politicians and civil servants, they employ govern-ment relations specialists

This may be one person, working usually in the public affairs division, or a whola department, as in the case of BP. These specialists play a sensitive role, within the groop and externally. They act rather like a minister's private office, "carricine" the senior execu-"servicing" the senior execu-tives in their relations with government, and making sure that managers throughout the panies' profit margins on drugs by seeking to cut their return on capital. group know who to contact in Whitehall and the regional offices of government depart-

"I am responsible for build-ing the bridges that dou't exist and keeping going those that do," says one such specialist. David Walton, BP's general manager, government and pub-lic affairs, explains how his department works: it identifies some companies bave an extrovert chairman of Babcock International and British Alrways, likes the political protess, and they are happy to-leava to the political protess, and they are happy to-leava to the political protess, and they are happy to-leava to the political protess, and they are happy to-leava to the political protess, and they are happy to-leava to the political protess, and they are happy to-leava to protess, that a more sophistical systems. There has, for example, been cated approach is needed, things to contacts, both at the technical systems. Contacts, both at the technical systems to political systems. Contacts, both at the technical spring at Suntingles, been cated approach is needed, things to contacts, both at the technical systems. Contacts, both at the technical systems to political systems. Contacts, both at the technical systems to political systems. Contacts, both at the technical systems to political systems. Contacts, the contacts and political systems. Contacts, the contacts and political systems. Cont and ranks current issues as

pletely nullify their effect-or rebound unhelpfully. Every company has only so much political 'capital' to spend at any one time," he told a recent conference on lobbying arranged by the Industry and Parliament

exactly where to lobby, whom to lobby, and who in the company should be doing it. If MPs are the target, it will be the group of 15-20, already well briefed by BP, who have particular weight on a key topic, whether in government or opposition. The minds of ministers can also be influenced, if not to change policy, at least to frame it in such a way that it will work.

BP gives the example of the mass of legislation affecting the oil companies in the 1970s, which brought the industry much closer to the government. The industry did not succeed in changing the policy direction, but, it claims, the measures were made workable because of industry advice. And relations between gov-

ernment and business are a two-way process. Ministers sometimes like to float policy ideas over boardroom lunches. Then, when ministers' minds are made up, their civil servants like to be able to test specific proposals and seek technical belp before framing legislation.

departments (the Treasury and the DTI). The clearing banks have their own government affairs specialist, despite the intermediary role of the Bank of England, and their "trade association," which speaks for the clearers as a group. Interestingly, the building societies do not have

such an arrangement, preferring to work through the Building Societies Association. All too often, in the absence of the patient cultivation of contacts perhaps only open to the large companies with their greater resources and influence,

business turns to the growing number of consultants like Good Relations and GJW Government Relations. It is not that such specialists are of no use but that clients expect them suddenly to wield an influence quite beyond their capacities. "Some of the best and most

effective lobbyists are not the professionals," says Norman Tebbitt, Conservative Party chairman, and someone much on the receiving end of the lobbyists' efforts. "They are those in industry, the City and elsewhere who, by experience or aptitude, know how the political and governmental networks operate.

realises that a more sophisti-cated approach is needed, things

widely believed in the oil in-dustry to have seriously harmed its: position in hidding for future exploration rights.

High level lobbying takes a lot of planning and organisa-tion, and understanding of the political process. It also helps to see things from the point of view of government, and to have something to offer it. IBM, instance—the company a although Americanfor which owned, has come pretty close to perfecting the art of under-standing British politics— spends a lot of time with civil servants explaining technical aspects of information technology. In this, moreover, as IBM says, its managers and civil servants are sometimes feeling

their way, a process which has brought them closer together. IBM's British cultivation of government is paralleled in France, Germany, and all the European countries in which the group operates; it concentrates on understanding the subtleties which differentiate the various political systems.

which the company wanted a meeting of heads of state.

Despite having hired an exBoth will have been briefed on
Department of Energy pertha items the other wants to Department of Energy permanent secretary as a consultant, its commercial decision to point of view, an objective for stick with Sweden not only led to a public attack on it by a will have been set in advance. Government minister in the "It is e professional meeting," House of Commons, but is says IBM's government affairs widely believed in the oil inspecialist. "We do not see it dustry to have seriously harmed as a chummy relationship."

Not all top busine would go along with the for-mality suggested by that meetany way one can work with civil servants unless one knows them well," says a chairman. That is the justification for a large social framework of personal contacts, bolstered by exercise such as the gala night at events such as the gala night at Covent Garden sponsored by Exxon last year, to which poli-ticians and civil servants (along with Prince Andrew) were in-

tionship with civil servants as opposed to politicians is that they are the continuous element in the political process—unlike politicians who change depart-ments, get sacked, and all disappear with a change of govern-ment. This is recognised by Whitehall, where more progressive officials are putting greater emphasis on good contacts out-side. Since the early 1960s, a weekend meeting is beld each spring at Sunningdale, Berk-shire, attended by all permanent

civil servants, mix with private sector managers on a training course. And last year saw the start of six week training courses obligatory for those about to be promoted to undersecretary rank in the civil service, again attended by managers from outside Whitehall.

Some companies also make an effort to show Whitehall what they are about BP holds familiarisation courses, for instance, and ICI arranges placed. visits. Secondments between industry and the civil service

them by this government: with-bolding tax, changes to the provisions for leasing, and re-cast capital allowances. ICI fought hard for retention of the old regional development grants system, without success.

Lobbying, however, must not government takes a more rounded look at the business more and aims to see that politicians and officials are as well briefed about the company's affairs as the company would like to be about government's plans. As ICI's government affairs speci-

#### Management abstracts

This is how we tarkled menotony. E. Hauser in Management Zeitschrift (Switzerland). Apr 85 (3 pages, in German, English version available)
Having realised that the monotony of most jobs in a bottling plant leads to lack of concentration and to low quality of working, an unidentified company set up a programme to or working, an undendined com-pany set up a programme to improve the position. What is included, and how employees reacted, is the subject of this

industry and the civil service are another means of promoting understanding.

Despite these moves at formal and informal levels, however, there remains a considerable guif in understanding between Whitehall and industry, particularly among companies not in the top league. The faults seem to lie on both sides, and are as much a cultural difference as anything.

"Civil servants are a discreet bunch," says one manager.

"Anybody from outside can't understand how you can sit next to the same person for 20 years and still not know how he votes." Contrasts are sometimes made with the seeming openness of officials in the US, although American oil company executives in Britain have been heard to comment that the British civil servant is in fact much more approachable than his counterpart in Washington.

Even when considerable resources are devoted to lobbying, however, the results are not always to the liking of business. Despite their fairty sophisticated techniques, and the presence of former politicians and civil servants on their boards, the banks have had three shocks meted out to them by this government; with holding tax, changes to the provisions for leasing, and recast capital allowances. ICI fought hard for retention of the lateral and the chief executive effects. G. Chitayat in Manage reacted, is the subject of thus paper.

The egonyths of marketing. H.

Williams in Management Today (UK), Sept 85 (2 pages)

Explores some of the elicist barriers that still exist in UK business society: the so-called "exponytis"; argues that such elicist barriers that still exist in UK business society: the so-called "exponytis"; argues that such elicist barriers that still exist in UK business society: the so-called "exponytis"; argues that such elicist barriers hat still exist in UK business cociety: the so-called "exponytis"; argues that such elicist barriers hat still exist in UK business cociety: the so-called "exponytis"; argues that such elicist barriers hat still exist in UK business cociety: the so-called "exponytis";

man and the chief executive edites. G. Chitayat in Manage-ment International Review (Fed. Rep. of Germany), Vol. 25 No 3 (6 pages)

From a survey based on questionnaires and interviews, be seen purely in terms of success and failure. "So many industrialists say they want government off their backs when what they really mean is that they want government in their laps," says one lobbyist. The seasoned observer of covernment takes a more lobbyist marrow responsibilities. ingly narrow responsibilities, and finds no evidence that board performance may be improved by separating the roles.

These abstracts are condens

from the abstracting journals.
published by Anbar Management Publications. Licensed
copies of the original articles. may be obtained at a cost of 54 each (including VAT and p.+ p; each with order) from Anbur, PO Box 23, Wombley

## Own land in the great American West

America. More than two hundred years old and still waiting tor many people to claim their share of it. For themselves and for the farture of their families. Imagine one of the most beautiful landscapes in the world and what it could mean to have part of it for your own.

hat more perfect way to stake your claim than by purchasing five glorious acres in the Colorado Rockies for yourself and those you love. At Sangre de Cristo Ranches you can still own a sizable piece of America at a very modest cost and on easy credit terms. This is scenic land in one of the fastest-growing states in the USA, a piece of the unspoiled, romantic old Southwest.

Sangre de Cristo Ranches is a subsidiary of Forbes Inc., publishers of the highly respected American business and financial publication, Forses Magazine. The land being offered for sale to you is a part of the huge 258,000-acre Forbes Trinchera Ranch, one of the oldest of the remaining big ranches in America. A sportsmen's paradise in all seasons for hunting, fishing, riding, hiking and boating. With fine skiing less than 50 miles away, the ranch ranks among the world's best-known preserves for deer, elk, game birds and other wildlife.

You can own majestic mountain views of Trinchera Peak and Mount Blanca (higher than Pikes Peak) which stand as silent sentinels protecting the rolling foothills and

In the Property Report required by Federal law and it before signing anything. No Federal agency has dged the merits or value, if any, of this property.

valley that make up our Sangre de Cristo Ranches. The land lies about 200 miles southwest

of Denver, just east of US Route 160 . . . the Navajo Trail. Its town is historic Fort Garland, the last command of Kit Carson.

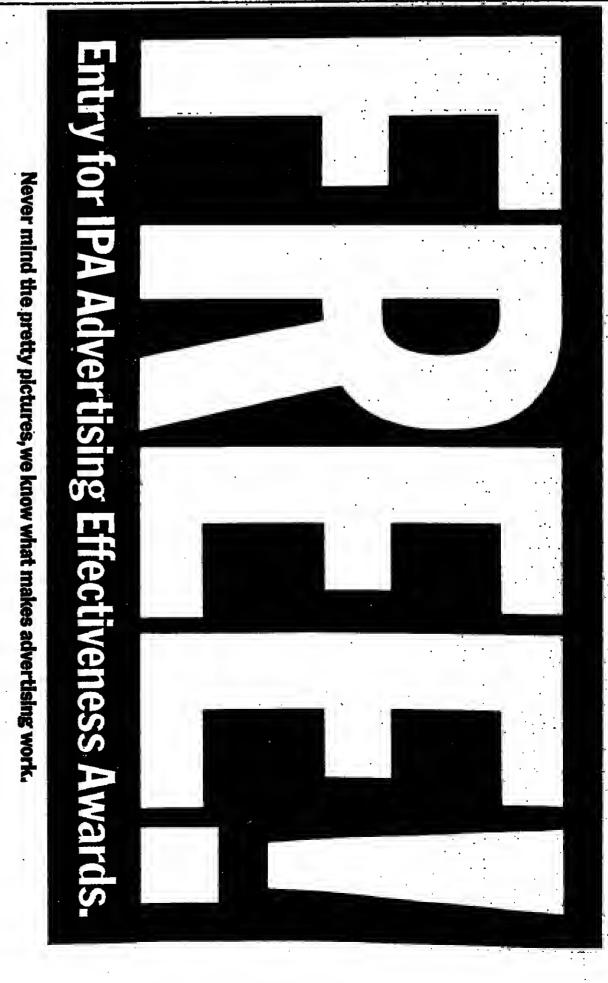
For as little as \$4,500 total cash price you can purchase your own 5-acre Sangre de Cristo Ranch, with payments as low as \$45 monthly.

Important money-back and exchange privileges backed by Forbes MAGAZINE's distinguished reputation have contributed much to the great success of this unusual land offering.

Five or more acres of this land can be yours. Easy credit

For complete details on this wonderful opportunity, without obligation, please fill in and mail coupon today.

FORBES EUROPE SANGRE DE CRISTO RANCHES INC. P.O. BOX 86 LONDON SW11 BUT ENGLAND	
Nettre	
Address	<u> </u>
Telephone	86B3



IPA, 44 Belgrave Square, London SWIX 8QS: 01-235 7020.

It is a hrave man who decides that the story of contemporary architeceture will be popular Sunday television viewing for 1u weeks in the winter. Peter Adam, a well-known BBC television arts producer, has taken on the tricky subject of contemporary architectural and environmental thinking and decided to look at he all over and environmental thinking and decided to look at it all over the world. The series he has written and produced is called Architecture of the Crossroads is shown on Sundays at 9.30 pm BBC 2, and it reached part seven. "Stop the Bulldoser," last night.

Mr Adam is something of an innocent shroad. He sheer.

14**-2**7-29-

MEB ME

greinge.

10 to 10 to

Thirty says

W. M. St. Service.

of 1.

1.00

14 7 W= 1 Aures Services

200

German Lauren

ن چانو ( پاستان ۱ I THE STATE

MEN'TEC & L

4-7 4 TO ESS

the und the 17

with the Miles 64 0 1cm

31.16

innocent abroad. He cheerfully edmlts architecture is not his subject. Ha sees the series as something of a Cook's Tour of contemporary, design that

#### Colin Amery views a package tour of contemporary design

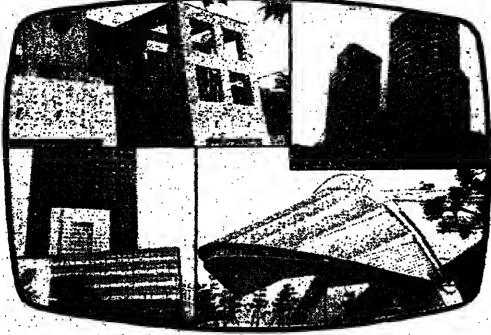
will by its wide ranging nature, show that someone somewhere out there is producing stimulating work. It is a bland, altembracing approach and so far all the programmes have shown both characteristics.

were produced about modern architecture and wby it has been so unpopular. It looked as though the BBC had only just caught up with a bandwagon that has long been colling in a different direction. Only the work of one firm that was shown, Team Zoo (apparently a serious name for a Japanese architestural practica) ently a serious name for a There are virtues in this kind collection of internationally Japanese architectural practica) of hroad survey. In any fashionable erchitects (Krier, really demonstrated the sort of travelogue there are places that Kleihues, Hollain, Surling.

formation. On Thursday it made

its first appearance at St John's 1951).
Smith Square and established its Ar first

credentials with two pieces an English composer, using from the romantic German strings and with Byrd as in-



Architecture around the world hits the small screen but leaves no big impact

change of heart that I think Mr
Adam wanted us to appreciate.

The series claims not to be about style, yet it seemed to me, after watching eight out of 10 episodes, that they are all about style. The last words of the last programme are uttered hy Philip Johnson who looks ahead lo e variety of architectural styles.

Example of heart that I think Mr
want to know more. Although the "World of Islam" programme was of a sweep round a suddenly rich Gulf, when it stopped to look at Utzon's Kuwait parliament (he was the last programme are uttered hy Philip Johnson who looks ahead lo e variety of architectural styles. out there is producing stimulating work. It is a bland, alterwatching eight out of 10 cmbracing approach and so far all the programmes have shown both characteristics. It hough the first part was quite terrible. I groaned as all the cliches of the past 20 years were produced about modern architecture and why it has

waandered about looking at as many styles as possible and the script, which is at times really bad, waved all the jargon at us—"post-modern," "high-tech," "rationalism," without ever explaining the terms in compressible English

In the sixth programme, about Japan, similarly exciting new houses by designers rela-tively unknown bere like Ando and Hara, suddenly ignited the relentlessly impartial overview with some serious and creative ideas. Also in "Berlin, A City for People" (were cities ever for anyone else?), a strange collection of internationally the blanch le orghized (Fuor

Isosaki, and Ungers) were given the opportunities that can be offered only in the peculiarly German sort of ordered archi-

tectural exhibition.

It was a shame not to see some of the restoretion work that parallels the new in Berlin. It is on the rare occasions that these programmes stop their restless visual dynamics that some serioues ideas are allowed to come across. If only Mr Adam could concentrae more on less he would find more

around a faw dozen buildings with an occasional stop for e few clickes from world famous architects, the thresome script always says, "the question remains..." and the viewer is left yet egain with no claar idaa of the writer and producer's own views.

It was a good idea to drop some of the musical cliches that

usually eccompany architecture on the screen, Gregorian chant for Gothic, Handel for the Baroque and musique concrete (of course) for modern horrors. But the decision to present the whole thing to e hackground of murmuring people or roaring cars is odd to say the least.

Last night's programme about conservation looked at Frankfurt, Boston, Washington, Covent Garden, Paris, and glimpsed the Arah world. Again and again I longed for someone to expound the argument. Con-servation has happened for fer more complex reasons than peopla just liking old citles end it is not a new phenomenon. What a chance was missed to

show how naw architecture is largely the product of a reawakening of tha muse of history. And what a wonderful lack of any sense of irony or humour not to notice that nearly all of the restored buildings singled out for praise have become museums. Mr Adam is not hot on making connections
— perhaps there is e slight
link between the petrodollar
glitter of the Middle East and
the traffic-ruined cities of the

Architecture on television should involve the viewer in the process, the cause and effect of new designs. This means much more than filming the exanswers.

The decision not to have any visible narrator or front man means that the films have the quality of old newsreels, with an all-purpose script read by a singularly uninterested actor.

After panning the cameras teriors of the world's latest teriors of the world's latest buildings. More people are involved than architects. This package tour of contemporary architecture is as rootless and numformed as much modern tourism — a lost opportunity for enlightenment. teriors of the world's latest buildings. More people are in-volved than architects. This

#### The Apple Cart/Haymarket

**Michael Coveney** 

It is difficult to summon any enthusiasm these days for The Apple Cart axcept as a vehicle for a certain form of personality acting Shaw's extravaganza in which ha sets the charisma of a futuristic English monarch egainst the bovine conspiracy of an anti-Establishment Cabinet led by a Scots Prime Minister (tha year is 19:9, Michael Denison nudgingly toothless as Ramsay MacDonald) is about as anticing as a free holiday in the Falkland Islands. It is, as satire a total non-starter

satire, a total non-starter. Hannen Swaffer thought the first performance heralded a great event in tha history of tha English theatre. Since then tha sbow has inevitably subsided into a parade of character actors batting with tha mis-applied skill of David Gower against a West Indian attack while King Magnus watks all over them and, in the famous bondoir interlude, dallies with his mistress Orinthia.

they have been dragged in from at all.

as the two-piece that would have disgraced Mrs Thatcher in 1979), the evening becomes a sort of stylistic mausoleum, a cry for help from the GBS home for old troupers.

over them and, in the famous bondoir interlude, dellies with his mistress Orinthia.

It means nothing. The king is a witty man of the world, his politicians prostrate oafs who know little about the meesure of affection in which that public holds someone who has no genuine claim on its meesure of affaction in which that public holds someone who has no genuine claim on its indulges, lazily, the privilege of attention. The Ruritanian aspect all star actors, which is the most of all this is underlined in Valunforgiveabla privilege of all:

May's wretched production, the lack of concern over which lumbers King Magnus whether what the actor says whether what the actor says the same of the lack of concern over which lumbers king Magnus with footmeo who look as though makes any sense or impression

one of the cheaper hotels along the Sirand, and a couple of simpering private secretaries (John Franklyn-Rohhins and John Scarborough) who read contemporary newspapers but talk lika Edwardian supernumeries.

Alaxander McPherson's coarse quasi-classical design reinforces the idaa that nobody involved has attempted to reapond to what may remain of comic fantasy and prophecy in the work. With its shabbily gilded pillars, all-porpose antique furniture, ghastly costumes (Marius Goring as tha Foreign Secretary is allowed a Garrick Cluh tia, Moira Lister as tha Powermistress General a hive two-piece that would have dispraced Wes Thateheen in the playing of the ministers, in the playing of the ministers, in the playing of the ministers, who enter in a treasurable bumhla, from the left es it were like some suddenly wound-up collection of half-remembered notables: it is indeed an aston-ishing thing to recognise, simultaneously and together, this comic Mest End chorus line, the unmistakable faces of Mr Denlson, Geoffrey Keen, Mr Goring, Brewster Mason and David Waller. Paul Rogers, noisily disloyal to his talent as Garrick Cluh tia, Moira Lister

Then come Dora Bryan and Miss Lister. And still we have hardly started. The over-

Miss Lister. And still we have hardly started. The over-crowded third class carriage of tha cabinet, as the Queen refers to them (some phrases do retain flavour and sting), is then invaded by Bernard

The romantic interludo between O'Toole and Susennah York's Orinthia is fatally bereft of comic styla or rhythm, the sexual tumble executed in a particularly manufactured fash-

#### Madam Butterfly/Coliseum

#### **Rodney Milnes**

Bright new productions of text is unbridgeable standard repertory operas may wonder the eudience titters cause an agreeable frisson on a nevously—and the performance first night, hat the point is, falls into it with ignimony. vival? In the case of the ENO's Butterfly, first seen in the production by Graham Vick 18 months ago and revived last Friday, the answer is not at all

Vick's scenario for the second act, however, in which Butterfly ls shown to be mentally ill in the first scene, is doubtless very loteresting (though diffivery loteresting (though diffi-cult to follow) but it is un-fortunately not the one that Puccini chose to set. Not for the first time Mr Vick has staged a show for which he should have engaged someone to write new words and music to fit his concept; here the chasm between production and Which is sad, as much telent

is wasted on it. Making a wel-come return to the bouse, James Lockhart draws beautimonths ago and revived last Friday, the answer is not at all well.

The first act, persuasively thought through and strikingly staged, remains a success. Mr Vick's scenario for the second act, however, in which Butterfly much of a look in recently) in both Berlin and Cardiff, was sadly not in ber best voice neither ber breathing nor her top quite delivered whaf she required of them — but her remembered intelligence and in-tensity paid handsome divi-dends in Act 1. There was little she could do with Act 2.

Rowland Sidwell, in good, ringing voice, seemed too

amiable a chap to play the bleck Ur-Pinkerton thought to be da rigueur nowadays, nor should he have hed to try: Puccin's second thoughts—and Giacosa's first—are unarguably superior. Norman Bailey repeated his rumpled Sharpless, and the best intagrated impersonation cama from Anne-Marie Owens, a Suzuki alert to every implica-tion of the plot, her axpressive features registering tragically frustrated affection for her mistress and smouldering rage at ber thoughtless persecutors.

A dispiriting evening. On the first night in 1984, the technical brilliance of the staging—Mr Vlck and his designer Stefanos Lazaridis know a thing or two about thearre - fooled some people into thinking this a valid interpretation of the opera, though not on this page. Re-peated exposure confirms that it is not such thing, and it should now be quietly shelved.

### Rozhdestvensky/Barbican

#### **David Murray**

Contemporary CO/St John's, Smith Square

Richard Fairman

Strings by James Erber (h.

Ar first sight such a piece by

repertoire: Schoenberg's Vernander of the conductor of the capably played under conductor ten and Tippets spring to mind of the conductor ten and Tippets spring to mind of the conductor ten and Tippets spring to mind of the conductor ten and Tippets spring to mind of the conductor ten and Tippets spring to mind of the conductor ten and Tippets spring to mind of the conductor ten and Tippets spring to mind of the conductor ten and Tippets spring to mind of the conductor ten and Tippets spring to mind of the conductor ten and Tippets spring to mind to which the conductor ten and Tippets spring to mind the conductor ten

Iduil.

A casual listener would be unBuf it is the contemporary likely to hear any Byrd in this
field that will snrely keep this work at all. Whereas Tippelt in
orchestra, employed in the future. Nothing could distinguish its programmes more than

future. Nothing could disting theme of Corolli keeps the style now seems less original, quish its programmes more than music that inspired him intact, less personal than one might a premiers in each and on this Erber dissects and analyses his have expected.

Thousands of musical Minlyer The Debussy was his 1913 lost, by giving the brightest Cheevys wish they had spent children's ballet La Boile d bits full value. their 20s in Paris from about 1906 to 1915, when what had been a remote entente condince between French and Russian between : French and : Russian music : suddenly - with the plano score (André Capier countries : suddenly - with the plano score (André Capier countries : suddenly - with the plano score (André Capier countries : plano score (André Capier countries : suddenly - with the countries : sud

joujoux. Presumably the reasons why we never bear it are that Debussy finished only the locean "—another worthwhile

revival — was over-temperate too. This is Ravel's orchestra-tion of one of his Miroirs piano On Toursday Gernade Rozhdesivensky and the London Sympbony drew a fine; unback often got colleagues to do perform the crisp perform the French side (but maybe: the narrative in such theatrical counting on Stravinety's Socre detail that it cries ont for stage of the strong phrases that hold in printerpre to weep the performance (which it hardly boards anyway); summe the printer price and Raybi, neither Rozhdestvensky treated the score most teoderly, to the strong phrases that hold the orchestra wash.

Satie's failet Parade—a Diaghilev product, and was too old and too quirky to register any Russian influence at all,

admired; but something would and with them Rozhdostvensky's baye been gained, and nothing deadpan finesse was impeccable.

1969, this piece was given in a newly revised version. Its

### Gloria/Covent Garden

West?

#### Clement Crisp

There are various way of looks as If It has yet to be fully There are various way of holding an aodience. The Royal Ballet seems to have realised that one ploy is to bore their public into submission. A triple bill, given its first outing last would reveal the sparkle and bravura inherent in its choreofor an 11-week period until early April, whose only other components are those assounding novelties Monon, Ciselle, Fille. This example of artistic was If It has yet to be fully danced. I was tempted, watching most of its cast bot in pure that catch, to the view that the piece would reveal the sparkle and bravura inherent in its choreofor an 11-week period until graphy were it danced by New York City Ballet. Honourably and least demand of the dance Fille. This example of artistic ing novelies Monon, Ciselle, and least demand of the dance Fille. This example of artistic was Fiona Chadwick in the inertia, matched by lethargic leading role. Assured, elegant casting, is worth considering in in the central quintet — Mr relation to New York City Bintley's - Rose Adagio, and Ballet's activity during a cambeautiful — she radiates a true parable period just ended, when ballering presence where it is 42 ballets, including two novel-most needed, and gives the performance.

The new Opera House triple night, comprises Gloria. Consort About Fronkenstein, which opens the evening, I can but say that I have no sympathy with it. It is reportedly "hringing in a new audience," who must he gettion the oddest impressions of orchestral hehaviour — Mighty-Wurlitzer The Contemporary Chamber occasion we had the first perfor. Rhythms are used, but not Orchestra is a relatively recent mance of Music for 25 Solo pitches. fashion-as the only intriguing factor of Mr Vangalis' trumpery sound-track, and of costuming. The other recent work was Tha Black Tower by Bernard Benoliet. Originally written in

Ballet-lovers may care to know that Frakensicin is per-formed first, and that on Friday night the curtain did not rise on the second batlet until 8.45 pm, so that a more than usually retaxed pre-theatre dioner should be possible. Ashley Page was newly cast as the good Doctor, dancing handthe good Doctor, dancing hand-wendy Ellis, huovant on the aomely. Gail Taphouse was an lighter music of the laudamus Elizabeth who would be better served by heing seen with a taller partner.

tles, were on offer, in nightly ballet is dynamic and emotional focus. It is a fine work, deserv-ing the finest performance. Kenneth MacMillan's Gloria, with its original cast, spoke as ever of the continuing emotional repercussions of World War I. Extraordinary tha impact of Jennifer Penney's interpretation, serene, compas-sionate, imbued with sorrow, a figure to be identified with the women (whose tragedies he at the beart of Vera Brittain's Testoment of Youlk, source-reference of the ballet) who saw husbands, lovers, brothers sacrificed in the trenches, Whether contemplating the revenants from the escarpment of Andy Klunder's set, or caught between brothar and lover in dances with Julian

Hosking and Wayne Eagling, Miss Penney's ideal body and ideal dancing are magnificent. The contrasting liveliness of te, is no less apt and poetically right. The performances by this taller partner.

David Bintley's Consort ing artists do honour to a noble ballet.

#### Muldowney/Purcell Room

#### Max Loppert

Endymion Ensemble's "Four broken attention, the confident Composers" series, came across voice of uncommon immediacy and an admirably practical craftsman. For this reason, tha concert could be counted a truthful representation. Any-one who through it was coming to Muldowney for the first time might perhaps not have guessed that his creative range also covers concertos of quite substantial scale; but otherwise the four works here performed made up an extremely successful small Muldowney survey.

The fact that (as music director of the National Theatre) he owns a close involvement the stage is something an " innocent car" without benefit of programme biogrephy might depiece, A Second Show (1983). for alto and three instruments. confronts 16th end 17th century Venetian music with modern technology, and live sounds (vocal and instrumental) with taped. The unfolding is acutely dramatic — exactly paced and pointed — and, while it might

Dominic Maldowney, the third be difficult to explain exactly might be called a set of accomcontrol of means underlying them is never in donbt. Muldowney's imaginative res-

ponse to words was also clearly adumbrated Two Brecht songs cycles — Five Theatre Poems (1980) and The Duration of Exilc (1983) — each present and shape the chosen texts with loving care (the composer's disapproval as expressed in his programme note, of the "infe-rior status" commonly assigned to words by contemporary composcrs made heartening read-

past decade or so has been a The former expands what privilege and a pleasure.

a cycle of nine genre songs subtly linked. In both, the appropriateness of form to content is impressively close, is the unforced eloquence of vocal expression (a quality which Linda Hirst's singing truly caught). Six new arrange-ments of Bach chorale preludes -a hrilliant small tour de force in which taped incursions gradually add their own dramatic programme — heightened one's awareness of prac-tical skills in exact operation. Watching the steady develop-ment of this composer over the

#### Saleroom/Antony Thorncroft

### A bed fit for a king

There are two good furniture auctions in London this week. The star lot is probably the Leeds Castle stete bed which Christie's sold for £7,500 in 1978 but which Sotheby's hopes might make £20,000 on Friday. Built around 1710, it still retains some of its original yellow hangings.

Among the other items on offer Charles Walford of Sotheby's selects a mahogany wined table of sound 1755.

tripod tabla of around 1755, quita smatt and of poputar appeal; a Sheraton satinwood writing table of around 1795, which could sell for £10,000 because the design la illustrated in Sheraton's "The cablnet maker and npholsterer's draw-ing book'; and, for anyone liking an historical association, wide spread of bookease which once housed the librery

of Mrs Fitzherbert, unofficial wife of the Prince Regent (£8,000 top estimate).
William Lorrimer Christie's can also offer on

Christic's can also onar on Thursday an historical link—a Regency mahogany library armchair used in the odd idle moment by Nelson's Hardy on board HMS Victory. Other interesting properties at Christie's include a pair of green painted teresting properties at Christie's include a pair of green painted tables, with marble tops inlaid with flowers, which look Adam but which ere late 19th recotury, and much cheaper, and a Regency rosewood card table with a modest £4.000 top estimate. Ooc similer, but slightly more decorative table, mede £7.000 in November, and if you want to see something identical you must be invited to tha music room at Buckingham Palace where thare is a pair.

At Sotheby's tomorrow an example of Obadiah Sherratt's "Polito's Menagerie" comes under the hammer in an English ceramics auction. This the most sought after Staffordtos for traditional instruments: koto, zither, shakuhachi, bamboo fluta, shire figure, end it carries an shamisen, 3-string banjo. U-Port Keni Hoken Hall, Gotanda (Thur).

Mrnagerje was a travelling cirtransfer to London under (3540161).

visited Wolverhampton, about 30 miles from the Sherratt workshop, ln 1808.

One of the most important collections of scientific instruments to appear af auction for many years also arrives at Sotheby's fomorrow. It was amassed by Arthur Frenk, and covers every variety of instru-ment from the mid-17th century onwards. Among the choicer items are a five inch Newtonian reflecting telescope, on stand, nf the early 18th century which could make £4.000, and a mid-18th century George Adams, "New Universal Doubla Microscope," which carries an £8,000-£12.000 estimate. Christie's South Kensington is

taking its auctions of militaria more seriously, and on Friday offers the collection of military watercolours and prints formed by the late Marquess of Cam-bridge. Other highlights include an old leather purse (top estimate £200) which is believed to have belonged to Admiral Byng, who was shot on his own quarter deck in "encourage tha others," and the painted silk banner of the Order of the Bath which the Duke of Cumberland, Queen Victoria's "wicked uncle," Intended for display above his stall in the Henry VII chapel at Westminster Ahh carries a modest forecast of £200-1600.

### Clwyd, Mold

Vanessa Redgrave and Timothy Datton will join the Theatr Clwyd Company, Mold from April 17 for a month to play Katherina and Petruchio

Both plays will be directed by

A STATE OF THE PARTY OF THE PAR Notice of Redemption

TO THE HOLDERS OF

#### Occidental International Finance N.V. 16%% Guaranteed Notes due 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Section 3.01 of ARTICLE III of the Indenture dated as of March 1, 1982, (the "Indenture") among Occidental International Finance N.V., Occidental Petroleum Corporation and Chemical Bank, as Trustee, (the "Trustee"), there is hereby called for redemption on April 1, 1986 (the "Redemption Date") all of the 1634% Guaranteed Notes due 1987 at the redemption price of 100.5%, together with interest accrued thereon to the Redemption Date (the "Redemption Price").

On and after the Redemption Date the Notes will become due and payable upon presentation and surrender thereof, with all coupons maturing subsequent to April 1, 1986, attached, either, at the option of the holder, at the office of Chemical Bank, Corporate Trust Tellers, 55 Water Street, Room 234, 2nd Floor North Building, New York, New York 10041 or at the main office of Swiss Bank Corporation in Basie, the principal paying agent, or at the main office of Algemene Bank Nederland NV in Amsterdam, or at the main office of Banque Bruxelles Lambert S.A. in Brussels, or at the main office of Westdeutsche Landesbank Girozentrale in Dusseldorf, or at the main office of Swiss Bank Corporation (Luxembourg) Limited in Luxembourg, or at the main office of Banque de Paris et des Pays-Bas in Paris.

Interest on the Notes so designated for redemption shall cease to accrue on and after the Redemption Date. All coupons maturing after said date which appertain to such Notes shall be void. Coupons maturing on April 1, 1986, should be detached and surrendered for payment in the usual manner.

Occidental International Finance N.V. By: Chemical Bank, Trustee

### Arts Guide

Nusic/Monday. Opera and Ballet/Tuesday. Theatre/Wednes-day. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

#### Music

LONDON

ondon Philharmonic Orchestra, Sir Georg Solti conductor: Schubert, Bruckner. Royal Festival Hall (Tue). (828 3191).
The Fires of London, conductor Nicholas Cleobury: Maxwell Davies, Philip Grange (new work), Bayan Northott. Elizabeth Hall (Tue).

(9283191).
Royal Philharmonic Orchestra, conductor Michael Tilson Thomas, fvo Pogorelich, piano: Franck, Mahler, Royal Festival Hall. (Wed). (928 3191).

PARIS

Orchestre National de France conduct-ed by Evgeni Svetlanov. Shura Cherkassky, piano: Brahms, Tchai-kovsky (Tue). Salle Pieyel. (4561 0630). iviatoslav Richter, piano recital (Wed). Theire des Champs Elysées, 47734771.

(Wed). Theatre des county.

(47234777).

J.-S. Bech's St John's Passion, La Grande Ecurie and la Chambre du Roy, conducted by Jean-Claude Malgoire with the Nord-pas-de-Calais Choir in Notre-Dame (Tue). Notre-

Charr in Nour-Dame (Tue), Rotre-Dame. (47238973).
Orchestro de Paris, conducted by Kinrt Sanderling, Augustin Dumay, violin: Moussorgsky, Shostakovitch, Bar-tök, Schubert (Wed, Thur), Salle

by J. P. Rouchen: Hindernith, Men-delsohn, Charpentier, Palais Clam (Tue). Bach's St Matthew Passion: Linz Bruckner Orchestra and Consor-Musicum Alte Universität

Choir conducted by Martin Sieghart, with Ingrid Sieghart, soprano, Anna Gonda, alto, Heimnt Wildhaber, tenor, Martin Schuppich, bess. Minoritenkirche (Wed). (\$2.30.555).

Liszt's Die Legende von der Heiligen Elisabeth: ORE Symphony Orchestra conducted by Peter Schneider.

Kanzerbaue (Thur). oir conducted by Martin Sieghart Konzerthaus (Thur).

Bibliotheca Wittockiana: Leurence Mekhitarian, piano and Pascale Mattieu, narrator: "Chopin and George Sand" (Thur). (7711493). NETHERLANDS dam, De Doelen: Arie Keijzer,

PRIMARELA

organ, Gerard Hettema, violini.
Bach, Franck, Keijzer (Mon). Hecital Hall: Heidi Hendrickx und Levente Kende, pianos: Schubert (Wed). Recital by young Dutch musicians (Thur). 11429 111. ITALY Milan: Teatro alla Scala: Carlo Maria

Milan: Teatro alla Scala: Carlo Maria Ginlini conducting Cesar Franck and Mussorgsky (Mon.). (30 91 26). Florence: Teatro Commale: Gustav Kuhn conducting Mozart and Bruckner with Jurij Egorov, piano: (Sun, Tue, Wed, Thur). (277 92 36). Naples: Teatro San Carlo: a recital by the haritone Martin Egel accompan-ied by Marisa Borini (Mon). (41 82 66).

San Sebastian, Orquesta Sinfonica de Enskadi, conducted by Matthias Kuntzsch, will perform programme in homage to 100th anniversary of J.

Guridi's death. Teatro Astoria. (Thu). (455506). Madrid, Testro Real season: Chamber cional de España conducted by Man-imiliano Valdes: Brahms, Liggi (Tue). Orquesta Sinfonica y Coro de Rive: Haydn and Brahms with plano accompaniment by Rolf-Dieter Ahrens (Thu). Plaza de Oriente 4.

Feb 21-27

**NEW YORK** 

Armegle Hall: Earl Wild, piano recital, "Liszt the Virtuoso" (Wed); Marilyn Horne soprano recital, Mined pro-gramme, (Thur), (247 7459), Isufmann Hall: Barry Tuckwell horn recital. Mixed programme (Tue); Robert Mann violin and Stephen Hough plane. All-Beethoven pro-gramme (Wed). 1395 Lexington Av. 8318603). WASHINGTON

istional Symphony (Concert Hall): Serge Baudo conducting, Phyllis Bryn-Julson soprano. Bizet, Bavel, Franck, (Thur). Kennedy Center Observed. CHICAGO

rehestra Hall: Daniel Barenboim pia-no recital. All-Beethoven pro-gramme (Wed): Chicago Symphony. Leonard Slatkin conducting, Jeffrey Siegel piano. Eth. Schubert-Liszt, Shostakovich (Thur). (4358122).

TOKYO

Tokyo Symphony Orchestra: Concert of contemporary Japanese music, conducted by Koutaro Sato. Concer-tos for traditional instruments: koto, zither, shakuhachi, bamboo fluta,

Pleyel. (4561 0630).

### Redgrave for Theatr

in The Taming of the Shrew and Cleopatra end Antony in Antony and Cleopatra.

Toby Robertson, and both will

Dated: February 24, 1986  BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Monday February 24 1986

### The crunch for Marcos

PRESIDENT Ferdinand Marcos of the Philippinea is a tough customer. After 20 years in power he was never likely to go quietly. There was, and is, too much et stake for him, for his ambitious wife, Imelda, and for their many relatives and cronies who have amassed fortunes thanks to his patronage over the

Even President Marcos must now see that his game is all but and that his power to govern up and that his power to govern his people is slipping inexorably from bis grasp. He is being deserted by his own supporters. Whetever credibility he had left whetever credingly he had left the fraudulent presidential elections of February 7 is being quickly dissipated. Even the army, his final refuge and support, is now plainly divided. The ageing autocrat has to step down quickly and gracefully to avoid a bloodbath.

President Marcos should go not just out of a sense of responsibility towards his country but also out of a sense of realism ebout his own position. Even if he were eble to rally enough support among his friends in the army to crush the revolt by General Fidel Ramos, the deputy Chief of Staff, and Mr Juan Ponce Enrile, Defence Minister, It is clear from the events of the weekend that a eubstantial portion of the country's 250,000-strong armed forces no longer have confidence in their commander-in-chief.

The only way Mr Marcos can challenge this assertion is by asking Filipinos to kill Filipinos and that would be inviting civil war or a pyrrhic victory or both. Mr Marcos has already lost—

even by the government's own tally — the support of just under half the voting popu-lation of the Philippines. If one accepts the view of the oppo-sition, of the church and of international observers who were there, Mr Marcos, far from Vinning the presidential elections was roundly defeated by Mrs Corazon Aquino.

Mr Marcos is also being deserted by his friends abroad

—most notably the United States whose interest in tha stability of the Philippines is focused primarily on their two substantial military installa-tions there, Clarke air base and Subic Bay naval base. Even President Ronald Reagan, never one lightly to turn his back on an old friend, has been

come to rely to prop up his battered economy. The Philip-pines owes them \$26.5hn (£18.2bn). It is hard to helieve that the events of the past month have not altered their perception of where their best

perception of where their best interests for the future ile.
What can be done to speed President Marcos on his way?
Mrs Aquino is doing the right thing by refusing to concede defeat in the elections, keeping up the pressure by calling for e peaceful campaign of civil disobediance, and avoiding any action which might lead to action which might lead to violence. If she comes to office she will want to do so with clean hands.
Internationally, Mr Marcos is

completely isolated. Only the Soviet Union has been oppor-tunistic enough to "congratu-late" Mr Marcos on his presidential victory. It remains to be seen whether any govern-ment will attend his inauguration on Tuesday, assuming he survives that long. It would certainly be inconsistent for any administration which believes his victory to be fraudulent to give it their hiessing. The US has astutely built up

the pressure on Mr Marcos with-out, however, rounding on him totally. Should he now be wavering in his determination to stay, an offer of safe passage to America, a home there and mmunity from extradition back to the Philippines could usefully assist Mr Marcos over the brink.

Obvious choice

What would happen after that remains unclear. Mr Arturo Tolentino, the vice-president alect, cannot take over since be is tarred with the same brush as Mr Marcos. Whether Mrs
Aquino should take over permanently, if and when Mr
Marcos steps down, is also not
certain. She remains the
obvious choice to succeed Mr Marcos but it may well require a fresb election to establish her claim to the presidency, beyond all doubt.

Although Filipinos must ulti-mately decide their own fate the role of the US is determining the framework in which they do this remains crucial. What Washington must guard against—using its considerable President Ronald Reagan, never one lightly to turn his back on an old friend, has been persuaded that President Marcos is now a liability the US can no longer afford. an no longer afford.

Affairs, said yesterday, it would Finally there is the common be a tragedy if a civilian dectaity of international bankers on torship were now to be replaced whom President Marcos has by a military one.

MEXICO'S DEBT CRISIS

## Now it's up to the creditors

By Robert Graham and David Gardner in Mexico City

FORE in sorrow than in anger, President Miguel de la Madrid of Mexico

tol dthe international financial community on Friday night that his country was no longer in a position to service fully its \$37bn foreign debt.

This declaration, from the leader of Latin America's second largest debtor, may mark the end of a phase of tha four-year-old debt crisis, not just for Mexico, but for the region as e whole.

President de la Madrid has thrown the ball firmly into the thrown the ball firmly into the court of international banks and governments that are their lenders of last resort. "Now it

lenders of last resort. "Now it is the turn of our creditors to make at least an equivalent effort to the sacrifices made by the people of Mexico," he said. "Sacrifices" from the creditors mean, et the very least, that they will receive less interest on the country's debt.

The President's close advisers have gone out of their way to emphasise that Mexico has not made this move Kehtiv. They made this move Eghtly. They insist that the President's

The US Government is seen key player

speech should not be taken in the same vein as President Alian Garcia of Peru's uni-lateral move last July, fixing debt service at 10 per cent of export earnings. This was done without any attempt at nego-tiation with the banks. Conscious that this new posture might be interpreted as a switch from negotiation to confrontation. President de le Madrid himself insisted in his nationwide speech on the need to "share responsibility in jointly seeking viable solu-

was the catalyst for the origi-nal debt crisis in August 1982, But the delay also reflects a the President may well heve set the parameters of the next phase in the relationship be-evident in the President's care-

11 main debtors in Latin America, is due to meet in Punta del Este, Uruguay. On the table for discussion is an Argentine proposal to limit interest payments.

Before the Cartagena meet-ing, Mr Jesus Silva Herzog, the Mexican Finance Minister, is expected to begin substantive negotiations in Washington and New York on the basis of his country not being able to pay its current ohligations, which this year would amount to \$11.50n.

Although President de la Madrid addressed himself pri-marily to the banks, the US Government is seen as a key player in the coming negotia-tions. Mexico relied beavily on tions. Mexico relied beavity on its special relationship with the US during the early part of the deht crisis. Once again the Mexicans are going to look to Washington to smooth the path—both with the US banks, who are the most exposed, and whose reguletions are the strictest concerning the accountancy of debts, and with the International Monetary Fund. Some sort of US Government hridging finance is also likely to be sought by Mexico, prob-ably this week.

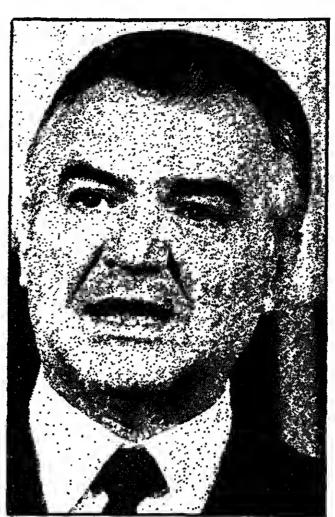
ably this week.

The reception given to Mr
Sliva Herzog in the US this
week and from Mexico's creditors in general is bound to
influence the mood of the Punta
del Este meeting. Moreover, if
President de la Madrid were
now to be rebuffed by the
international financial community, he risks being overwhelmed by a wave of Mexican
nationalism.

The only real surprise in

The only real surprise in President de la Madrid's announcement was that it took him so long to take the plunge. The gap between Mexico's hard currency earnings from oil and the size of its debt service ohligations hegan to open alarmingly in June last year. That be waited this long under-line his long under-line his long under-line his long underlines his innate conservatism, and a strong element of in-decisiveness in his leadership, which was mercilessly exposed dons." by his fumbling response to Nevertheless, just as Mexico last September's earthquake

tween banks and Latin America fully stage-managed announce-precedent unless it be the 1917 as a whole. This week, the Carment and in his quiet but force-constitutional assembly which tagena Group, comprising the ful delivery last Friday. For brought Mexico ont of revolu-BANKS START TO SEE THEIR WORST FEARS CONFIRMED. . .



President de la Madrid: call for "sacrifices"

this could easily have been an occasion where he pandered to populism like his predecessor Mr Jose Lopez Portillo who, at the beight of the 1982 financial crisis, expropriated the private banks and deliberately sought the acclamation of his people.

Mexicans can recall no such precedent unless it be the 1917

tion into a modern state. Thus the entire corpus of the Mexi-can state has been lined up four-square behind the new

On the purely financial side, Mexico has been relying on oil for three-quarters of its fore In contrast, Mr de la Madrid chose the muted, but unmistakable symbolism of gathering his Cabinet, all 31 state governors, the beads of armed forces, trades union and business leaders in the National Palace.

In the requiriers of its bright exchange eernings and balf its ax revenue. In other words, oil serviced the debt and paid the Government's growing domestic bills. When it was priced at around \$27 per barrel, Mexico, the world's fourth leaves producer had earnings. largest producer, had earnings of \$16bn to \$17bn from crude

debt policy.

The de la Madrid adminis-

net borrowing of \$4.8bn. How- of last year. Only belatedly did ever, the collapse of the oil the Government react, in part market since January has on IMF prompting, by introfor 1988. According to the of ensterity. President, the Exchequer's equivalent of 12.5 per cent of

In balance of payment terms, Mexico will have \$6bn less than expected—and the off price is still falling: as is Mexico'e market share. To maintain its market share, the Government announced this weekend that it would enith from March to it would switch from March to a daily oil price fixing linked to spot market prices.

the tax take.

The Government concluded that neither borrowing new money at the volume necessary to close its finance gap nor cutting spending to levels to achieve the same end—or even a combination of both—could work. Such a conclusion was reached elmost certainly several weeks ago and was hinted at by Mr Silva Herzog in London at the end of January. "The limit of our responsibility to our creditors is our responsibility to our people," he said bluntly.

Mexicans at all levels believe enormous sacrifices have been made within the rules set by the banks. Real wages over the past four years have fallen by nearly half in a country where only 50 per cent of the 25m workforce is fully employed. The peso is now one-tweltth of its value against the dollar com-pared with four years ago, speeding the erosion of middle-class confidence in the regime. Public spending cuts, and the removal of many subsidies that have previously cushioned the Mexican poor, have fuelled social tensions already present before the 1982 crists.

tration has looked, and felt, increasingly vulnerable without the option of economic growth.
Sustained growth has been an essential ingredient in the longevity of the de facto one-party system run by the Institutional Revolutionary Party (PRI), Beden de la Madrid for his part tween 1940 and 1981 annual has tried to ensure the average growth the state of the state

anticipated a slide in the oil eagerness to return to growth price. Yet it was hoped this led to a premature expansion could be accommodated by new of the economy in the first half halved the projected revenue ducing an even stronger dose

President de la Madrid said current projected loss will be on Friday it was his firm inten-Pesos 3,000bn (\$7hm), or the tion to continue with this auterity. Few major changes could be made in the 1986 budget expenditure, but he hinted that subsidies would be further cut, and further trimming carried out on public spending. The privatisation of up to 200 state companies is imminent, remain-ing restrictione on foreign investment are to be eased, and negotiations for entry into the General Agreement on Tariffs and Trade (Gatt) will be given

> In the present circumstances, President de la Madrid believes Mexico can do not more than this. He gives every appearance of being confident this message will be well understood.

The de la Madrid administration has looked increasingly vulnerable

One of the formulas which the banks can expect to be con-fronted with will call for a re-duction in the effective rate of interest that Mexico pays on its debts to not more than 6 per cent. Mexico is currently paying around 10 per cent.

Such a reduction would cut standard payments by around \$4bn this year, but would not eliminate the need for fresh funds. It is thought Mexico's debt negotiators may propose that the foregone interest be covered by the issue of a long-term bond, perhaps indexed to the price of oil.

Mexico has put the banks in a new and unfamiliar negotiatoil and its by-products.

Thet original 1986 budget able 6.6 per cent. Over-only one exit.

### Crackdown in **South Korea**

PRESIDENT Chun Doo Hwan no less anti-communist than all of South Korea and his critics but the toughest hawks in the appear set on a collision course, government. in a manner which has faint echoes of the Philippines. The immediate point et issue is the opposition's call for e constitutional amendment in favour of direct presidential electiona when President Chun steps down in 1988, as be has repeatedly said be will.

More broadly the Issue at the beart of the increasingly fierce debate between government and opposition is whether South Koree ehould move towards full, participative democracy and, if so, how fast. There are eigns that the debate is getting dangerously beeted and that both sides are digging in for what could become a nasty battle of wills reminiscent of the upheavals which followed the 1979 assassination of Presi-

dent Park Chung Hee. Stability in South Korea is of more than just parochial concern. Sandwiched between North Korea and Japan and protected by over 40,000 US troops it remains a potential battle-ground in the contest between communism and the free world.

Opposition

Over the past few weeks the government has moved, with characteristic firmness, to sup-press a growing opposition cam-paign for the revision of the constitution. At present the bead of state is elected through an electoral college packed with an electoral conlege packet with government supporters. The opposition claims, with some justice, that this will allow President (formerly general) Chun to pick his successor in 1988 and thus perpetuate gov-ernment by army-backed

oligarchy. The authorities briefly relaxed their grip last Friday when they lifted house arrest orders against 200 leading opposition politicians but Mr opposition pointering but har kim Dae Jung, South Korea's leading government opponent remains incarcerated in his bome. Police have raided campuses across the country and arrested hundreds of militant students. The opposition New Democratic Party Korea Democratic Party (NKDP) beeded by Mr Kim Dae Jung and the almost equally effective Mr Kim Jung Samis

consistently barassed. This clampdown ignores the fact that the opposition is repre-sented by a middle-of-the-road, almost conservetive leadership

government,
The two Kims want full democracy by 1987 and having
emerged with a strong showing
ecross the country in last year's
legislative elections, the NKPD
feels it has a mandate to push
for such early and radical
change

President Chun inevitably takes e different view. He argues thet it would be folly to put at risk the stability which has encouraged South Korea's spectacular economic strides of the past two decades by hasty reforms. South Korea, he helieves, needs evolutionary not revolutionary change and 10 introduce full-blooded democracy by next year would be tantamount to a revolution. The hest President Chun is pre-pared to offer is a review of

the political process in 1989 President Chun seems determined to stand his ground. He believes that he is secure enough to get his way. Since seizing power in 1980 be has consolidated his position within the military Economically. the military. Economically there are signs that South Korea may have halted the slide in the rate of growth of its economy

The question now is bow far the opposition is prepared to go in pushing for full democ-racy and what concessions the government is willing to make.

Thet opposition's case for more democracy bas popular backing within the country and it is right that the NKPD and It is right that the NAFD and its ellies should push for that. But it must also avoid playing into the government's hands by provoking the kind of unrest which, in the past, has given the regime an excuse to crack

President Chun, on the other hand, must realise that he cannot go on locking up his opponents indefinitely. As South Korea develops economically a it was a supposed to the control of the ally so it must evolve politically to keep pace with its rising aspirations. This means starting a genuine dialogue with the opposition which will eventually lead to e representative government and e directly elected president. President Chun has only to look to the Philippines. 1,500 miles ecross the East China Sea, to see what happens to leaders who try to stem the tide of change for too long.

## paying interest in rail, and on time. For when interest flows are interrapted there is no longer any way of disguising that a loan is in trouble. All major national government authorities recognise this, and in the US, whose banks collectively held more than \$250n in Mexican debt, a rigid penalty process that eats into profits swings onledy into effect.

quickly into effect.
Continued payment of interest has thus been a cornerstone of efforts to deal with the debt problem since the crisis brake in 1982. Critics of the banks have eften argued that they have been so obsessed with the need to maintain interest payments that they have overlooked longer-term solutions. Now, bowever, the bankers have began to

IF THERE is one thing bankers involved.

in developing country debt fear almost as much as cotright repudiation, it is that a major borrower such as Mexico could stop paying interest in full, and on time.

price has planmeted so have hopes of Mexico being able to meet \$10bn in interest paymetes due on its \$97bn foreign debt this year. President Miguel de la Madrid may Friday night, but he left his listeners in little doubt on what he really meant. Mexico can no longer meet this burden and now it is up to creditors too to make seme

the situation now and the panic days of Angust, 1982. Then there was a brutal shock —of the sort that threatens paralysis in the hanking market. This time there has been plenty of warning, and hanks have had some time to prepare their response.

As the Mexican problem has deepened since the start of the year, the banks have moved swiftly to prop up other debtors.

ment with Venezuela, even though this meant foregoing, for now, \$10m in principal repayments for 1935 and 1986. They are well on the way to reaching a debt rethough it has no International Movetary Fund programme. On Friday, Argentina announced a new IMF accord which will allow frozen loan payments from commercial

hanks to Argentina to resume.

The hope is to isolate Mexico and to present its problems as an emergency largely sutside the country's own control. That way a general intensification of the debt crisis might just be avoided. Industrial country supergraphs, could be called in to country governments could be called in to help, not to ball out the banks but to rescue a country in trouble because of falling oil prices. Concessious wrought by Mexico could then be presented as a response to a

ine and particular emergency and not as a general shift in the way the debt problem is being handled.

Like President de la Madrid, many bankers now reluctanity concede that adding

not work; but no one knows exactly what the other options are.

Mr Jesus Silva Herzog, Mexico's Finance Minister, is due in Washington today. The message is that the US Government will be Mexico's first port of call. In other words he menio's hist part of call. In other words Mr Herzog apparently no longer regards debt as a mainly banking problem. In the first instance the solution, if any, lies in the bilateral relation between Mexico and its northern neighbour. Mexican debt is now a political matter, and the once-proud bankers must simply await their fate.

Peter Montagnon

fal

#### Well wants **BankAmerica**

Sam Armacost, aged 47, chief executive of BankAmerica Corporation, faces one of the toughest turnaround lobs in US banking as he tries to eteer America'e second higgest hanking group back into the black.

Now he is feeing a second Now he is fecing e second problem—someone is after his

Sandy Welli, who has made no secret of his wish to run his no secret of his wish to run his own show ever since be quit the number two job at American Express last summer, approached BankAmerica e few weeks ago to see if the troubled banking glant wanted a new chief executive. The board considered Weill's offer, turned it down and his mething more it. down, and has nothing more to

say. So far as BankAmerica is So far as Bankamerica is concerned the matter is officially closed. But Wall Street analysts are not so sure. They have been watching unusually heavy trading in the bank's shares which bave risen by more than one-after in under a fortulable.

fifth in under a fortnight.

Some analysis believe that the
hank—which is weighed down
with more than \$4bn of problem

with more than \$4bn of problem loans, and recently passed its dividend after reporting a \$337m loss—has not been completely frank ahout what Welll had to offer.

"Even Sandy Welll does not just walk in off the etreet and ask for the top job," says one observer. There is speculation that he offered to make a substantial investment in the group and, in return, wanted to take charge.

Having started as e Wall

Having started as e Wall Street runner in the 1950s, Welli, aged 52, built his own brokerage firm into Shearson Loeb Rhoades, one of the giants. In 1981 he merged it into American Express in a \$930m deal.

The approach has also reawakened speculation about the future of Armacost, and Leland Prussia, aged 56, BankAmerica's chairman. The two bave been running the west coast-based bank since 1981.

There is a growing feeling on Wall Street that it may be time for e fresh management team to at BBC Television, or Dick in the Land Rover-Leyland take-

### **Men and Matters**

try its hand at reversing the five-year slide of what used to be the biggest bank in the world.

While BankAmerica's board is said to be standing loyally behind Armacost there have been reports of dissension oeen reports of classension among some of the more junior of the management team. Charles Schwab, who joined the board in 1983, after selling his discount brokerage business to the hank, has been a vocal critic. Last year he tried to buy his business back but the bank

#### Busman's hollday

Has Rupert Murdoch been attempting to bring a small shaft of sunshine into the lives of his beleaguered Wapping workers?

The coach waiting for them at a City of London rendezvous the other morning - windows shrouded with metal grilles ont side and opaque hinds within-hademhlazoned down its sides "Algarve."

A holiday destination for siege-weary staff? Or evidence of Murdoch'e determination to root out all "old Spanish customs" in his printing plant?

#### in the air

The traditional game of musical chairs is about to start again at the BBC for one of the three managing directors' jobs. The advertisement for e replacement for Austin Kark, who retires as managing direc-tor of the BBC's External Services in the autumn, has appeared in Aerial, the BBC bouse newspaper, and will appear in the national press this week.

"It's called a double-dutch anction — the buyer is announced before the bidding

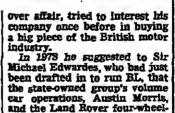
Francis, managing director of BBC Radio, into the soon-to-be-vacated chair, with Alasdair Milne, the director-general, retiring early to make way for his deputy, Mike Checkland.
Not so, say the insiders. The
External Services job usually
goes to somebody who understands the funny little ways of the Foreign and Commonwealth Office, which puts up the

money.

This would tend to favour Chris Bell, currently deputy managing director of External Services, or Charles McClelland, deputy managing director of RBC Radio, but an old External hand.

Oh—and Alasdair Milne shows no sign of quitting yet.

#### **GM's Price**



drive business, should merge with Veuxhall, GM's British car subsidiary which Price was running at the time.

The deal would have elimin nated the need for GM to build e new car plant in Europe, kept BL'a factories running at full speed and ultimately, have led to a merger of Leyland Truck and Bus with GM'e Bedford

and Bus with GM'e Bedford division.

Sir Michael later recalled in his book "Back from the Brink" that the project, codenamed Gemini, was the most exciting colloborative proposal put forward during his tima with BL But regrettably the GM board "was not smitten with the imaginative concept."

Boh Price, now executive Boh Price, now executive vice-president of GM's Overseas Group, says. "That's not my recollection." Both companies, be suggests, went off the boll. "We just drifted apart."

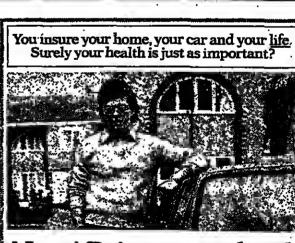
#### Other half

The sales director of a kitchenware suppliers telephoned bis sales manager to ask ebout progress with a contract for an hotel. The equipment, ha was told, was "half sold."

"Half sold?" he exploded. "Selling is like pregnancy. You're either pregnant or

A few days later be received a telex from his sales manager reporting, "pregnancy coo-firmed." He put it in his pocket and went home. On Monday be returned to work in a fresh suit. His wife found the telex in the pocket of the other suit while collecting it for the cleaners. He is still trying to explain and hopes this impartial account might help.

Observer



### New! Private medical cover you could easily afford.

It's from Health First, a new name in the UK. We're part of Mutual of Omaha, the world's leading individual and family health insurers. Worldwide, paying out more than £3.35 million in benefits each day. It means you, and your family, can obtain immedi-

ate medical treatment anywhere in the UK. In the hospital of your choice, with a specialist chosen by your

Commit yourself to nothing now. Instead, send for full information on the new Health First Plan, told in the colour brochure mailed to you FREE. Write to: Health First, FREEPOST, Bournemouth, BH2 6BR or telephone: 0202 292464.

To	NO STAMP REC	QUIRED	8-
Name: (Mr./I	Mrs/Miss)		
Address:		EBLOCK CAPITAL	S PLEASE)
Telephone		Postcode	
	ox if you would like details of salth Plans.	our Self-Employed/	
	HEALTH	FIRST	
6021253	TO CHIE		

YOU HAVE got to hand it to the Amaricans: they really churn out the information. Hardly a day goes by but that a buff envelope carrying the latest cablegram from Washington drops into my in-tray.

Last week's cablegrams were carrying extracts from the State Department's 1986 report on buman rights. Now the 1985

State Department's 1986 report on buman rights. Now the 1985 report was a great thick book of 1,454 pages, covering 165 countries, and the complete text of the new report has yet to reach London. But no one will be surprised to learn that the extracts which were given the top slot on the cable network were those covering the Soviet Union, Afghanistan, Poland, Nicaragus, Cuba and Libya; nor that the judgments expressed in these extracts are uniformally unfavourable. expressed in these extratu uniformally unfavourable.

The State Department report is an annual obligation, dating is an annual obligation, dating back to the Carter presidency and the afterglow of the apogee of East-West detente. In 1977, two years after the signature of the Helsinki agreement, which seemed to offer some Western leverage on human rights abuse in the Communist bloc, an amendment was added to the Foreign Assistance Act,

which are morally reprehensible of accepted international stan-an unimpeachable objective: dards.

the US should bely the good "There are occasional reports guys, but not the bad guys. But of unusual circumstances surthere are at least two problems. Tounding the deaths of people of least two problems. The first is that the book is predictably biased; the basic judgments, and the linguistic nuances in which they are expressed, are much more tolerant inwards America's friends proved nor investigated.

By contrast, By ments, and the linguistic nuances in which they are expressed, are much more tolerant inwards America's friends and allies than towards its foes.

The other, more serious problem is that any published independs it leads the administration to give greater saliency to human rights considerations than is appropriate for a great power, whose foreign policy should be determined by its geo-political interests; or charges of hypocrisy, when these human rights considerations are disregarded. At all events, the net result is a document in which

Electrical States

an eg

March.

( :--

...

- -

20,000

1477

کا مستان در

7 4 1 2 

..... and the first of t

}ynt **Væ** 

Soviet Union.

"The USSR is 2 one-party centralised state in which the repressive desagration of the Communist against by the repressive measures of the secret police, attempts to direct all aspects of summary courts. These public life, to interfere significantly with what in the West would be considered private hours of arrest and to impose the considered private hours of arrest and to impose the considered private hours of arrest and to impose the considered private hours of arrest and to impose the considered private hours of arrest and to impose the considered private hours of arrest and to impose the considered private hours of arrest and to impose the considered private hours of arrest and to impose the considered private hours of arrest and to impose the considered private hours of arrest and to impose the constances of tor-instances of tor-instances of the situation in the Philippines—were it not for the situation in the Philippines—were it not for the situation in the Philippines—were it not for the stratemen, has roundly demands on the human rights to confuse appearances; instances of tor-instances of the American tegic importance of the American ment cannot contain the philippines—were it not for the situation in the Philippines—were it not for the situation of the American tegic importance of the states.

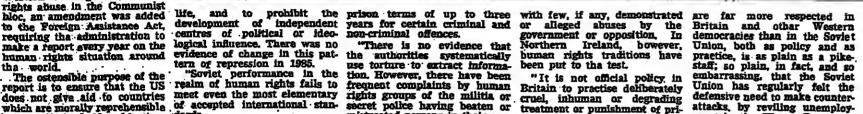
This magnifect all aspects of the instances of toric and summary execution of the confusion of the private and private in the most respected of American tegic importance of the amer

Foreign Affairs:

Human rights

### The futility of moral fervour

By Ian Davidson



"There are occasional reports tody."

that world.

The ostensible purpose of the report is to ensure that the US does not give aid fo countries which are morally reprehensible of accepted international stanmistreated persons in their cus-

at last year's report on two other countries. First, the

rights considerations are disregarded. At all events, the net result is a document in which morality, ideology and politics are inextricably and confusingly intertwined.

Let me give a flavour of the new report dealing with the rights are subordinate to the new report dealing with the rights are subordinate to the interests of the state.

"The Polish constitution and rights dealed, of human rights reports, many of them well-founded, of human rights rights, Other legislation, however, makes it clear that these new report dealing with the rights are subordinate to the interests of the state.

"The USER is 2 one-party reported and political founded, of human rights violations in 1984. There were frequent reports, many of them well-founded, of human rights violations in 1984. There were frequent reports, many of them well-founded, of human rights violations in 1984. There were frequent reports, many of them well-founded, of human rights violations in 1984. There were frequent reports, many of them well-founded, of human rights violations in 1984. There were frequent reports, many of them well-founded, of human rights violations in 1984. There were frequent reports, many of them well-founded, of human rights abuses by government security forces. These included harass-ment of civillans; arbitrary arrests, detentions and disappearances; instances of tor-

unatoly Shcharansky

"It is not official policy in Britain to practise deliberately cruel, inhuman or degrading treatment or punishment of prinistreated persons in their cus-soners. The government ack-nowledges, however, that some By contrast, let's have a look old British prisons are unsatis-t last year's report on two factory and over-crowded and many prisoners live in ctamped, unhygienic cells. The government is building new prisons. . .

> "In questioning arrested persons, police are expected to comply with the Judges' Rules and Administrative Directions to the Police. . . . Persons wishing to make complaints about police conduct may obtain a leaflet at any police station explaining how to file a com-

> It would be easy to poke fun at the selective political bias which manifestly informs the indgmental posture of the State Department's report; lavish, extravagant praise for a close European ally, world-weary head-shaking at the mis-behaviour of a Third World dependency, unconditional condemnation of the superpower adversary.

A blind impartiality might bave taken a more severe view

embarrassing, that the Soviet Union has regularly felt the defensive need to make counterattacks, by reviling unemploy-ment in the West. But there remains a serious question: are America's foreign policy inter-ests really served by publishing an annual indictment of the moral short-comings of other countries?

There may be a case for a factual survey, simply in the interests of public knowledge. But since repression goes hand in hand with secrecy and censorship, the State Department's most serious allegations (against the Soviet Union) are necessarily based on fragmentary information and unconfirmed reports. This does not make the allegations untrue; they may wall be as close to the truth, both in general and in particular, as anyone in the West can get. But there is no denying that the factual infor-mation is presented in terms vibrant with moral condemna-tion, and the moral condemnation is most vibrant where it coincides with political hostility.

In the latest issua of Foreign Affairs, George Kennan, one of Affairs, George Kennan, one of the most respected of American elder statesmen, has roundly attacked America's tendency to confuse morality with foreign policy. "Government is an agent, not a principle. Its pri-mary obligation is to the interests of the national society Lombard

### Ronald Reagan's wonderful luck

By Samuel Brittan

THERE ARE certain screen cent depending on the bench-characters who seem to have all mark used. the luck, even if they never burn midnight oil learning their scripts in the way that Margaret Thatcher expects of herself and her ministers.

Critics of President Reagan's

They had a point. A large fall in the dollar was indeed a necessary, although not a sufficient, condition for a turnround in the US trade and current account deficits.

experience.
"To say these things, I know

is to invite the question: bow about the Helsinki accords of

the norms of international discourse, But . . . the Western statesmen who pressed for

Soviet adherence to pronounce-ments (on buman rights) must

have been eware that some of them could not be implemented

Perbeps Kennan overstates

his case: even as agents, demo-cratic governments have some

no sound reason to expect that other governments would con-

power."

1975? There is no disposition here to question the value of many of the mass refinements of The great risk was that, just as the rise in the dollar had played a major — if unacknow-ledged — part in reducing US inflation, a very quick fall in the dollar would boost inflation and inflationary expectations. Once this happened it would be difficult to bring inflation down again without a major recession.

on the Soviet side . . without fundamental changes in the Soviet system of power—changes we had no reason to expect would, or could, be introduced by the men then in power." It was for such reasons that Paul Volcker, who in the early 1980s believed that a reasonable range for the dollar was between DM 1.7 and DM 2.1, was extremely reluctant to see dnty to reflect the values of their electorates. But his rethe dollar move more than a fraction of the way back to this range within any year or 18-month period. buke is relevant and timely. In the 1970s, exaggerated bopes were placed on detente and the Helsinki agreements; there was

In fact, the dollar has moved most of the way back much faster than Fed expected. At its peak in the spring of 1985, the dollar was fluctuating in the range of DM 3.40 to DM 3.50. A more reasonable bench-mark recommended by Stephen Marris of tha Washington Institute for International Economics, is form to Western moral and poli-tical values, but when they failed to do so, disillusionment gave way to rage.

Today there is, once more, some prospect of major arms agreements between East and West; hut the danger is that cool calculation of what would serve Western interests mey, once more, be thrown out of bilter by fewerth but unrealistic. for International Economics, is the average of the final quarter of 1984 and the first quarter of 1985. This gives something around DM 320. But from either kilter by fervent but unrealistic demands on the human rights front. Ronald Reagan was able to secure the release of one disbench-mark, a fall to the present range of just over DM 2.3 rep-resents a shift most of the way back to the Fed chairman's preferred range all those years back.

> Even against a basket of currencies, including some highly had some lack, not at the inflationary ones, the dollar has expense of, but together with, fallen by about 20 to 25 per her major industrial allies?

The luck that has eaved President Reagan from an escalation

of inflation has, of course, been the plunge in the oil price.

To take one illustration.

Kemper Financial Services'
widely respected Forecast would budget deficits — whether on Wall Street or overseas — supposed that Nemesis would come when the absurdly high dollar began in crash.

whether on have predicted, without the oil price plunge, a rise in US inflation (measured by consumer prices), from 3.5 per cent in 1986, rising to 6 per cent as the year converted and New FFS. rising to o per cent as the year comes to an end. Now KFS expects a slight fall in the inflation rate despite the behaviour of the dollar.

But the favourable effects do not finish with the US inflation rate, Stephen Marris's great fear was that a correction of the US overseas deficit, brought about only through a fail in the dollar and a cut in the budget deficit, would require an even more dramatic depreciation in the dollar than we have seen. This would be believed, trigger a world recession.

The consensus recommenda tion for avolding this was, of course, a relaxation in fiscal policy in the stronger countries, which Japan and Germany refused to undertake.

Now, however, e net boost to world demand is likely to occur without this fiscal red ink. It will be due, of course, to a fall in oil prices which is equivalent to a major tax cut throughout the OECD area and an increase in the real value of money

In addition, now that the main central banks feel that the dollar correction has gone far enough, there will be a greater readiness on the part of the Japanese and German central banks, and the other central hanks that follow in their wake, to lower interest rates. This is a form of atimulus which is much less abhorrent to believers in the "old tima religion" than budget deficits. Of course, not everything in the garden is lovely, as the case of oll-producing developing countries such as Mexico, ilius-trates. But why not for a change rejoice that America has

#### Share prices are too high

From Mr. N. J. E. Toung.
Sir.—A stock market collapse
is a matter only of time. Propped up by hid mania, and
powered by money brought in
through massive insurance and
unit trust promotional schemes of bonds and pensions sold through agents to an often unin-formed investing public, the market is fraught with danger.

It is nonsense to present this market as not being dear on industrial and consumer product p/e ratios of 15, in isolation from other investment criteria such as interest rate returns of 14 per cent, and with a total disregard for the downturn in profits foreseen in boardrooms, but not in the dining rooms of City coonomists or the investment meetings of institutional managers.

Today's investment analyst sees it as his duty (or so it would appear) to rationalise his eternal optimism, ably abetted by City commists who see it as their job to promote stock market joy. A classic example has occurred in recent weeks.

The 1 per cent hike in base rates last month with sterling falling below \$1.40 and oil prices to below \$20, was widely stated by economists and analysts alike as markedly bearish for shares. Moreover, there was unanimity that a further rise of interest rates was inevitable, and that there would be no money left for tax cuts. In the eyent share prices surged to new highs.

Unashamedly these same experts have since stood their own arguments on their heads and told us that actually lower and told us that actually lower oil prices are good for shares (never mind that the country will be poorer for loss of oil revenue in the long run), that a lower pound is good for shares (never mind the adverse effects on inflation) and that after all, there were actually small to be there was actually going to be some money available for tax cuts (since denied by the Government).

Are today's analysts and jour-nalists totally unaware that the sama bland optimism and jug-gling with facts prevailed shead of the Wall Street crash, the comparatively recent 72 per cent drop in share values in 1872-74, and most other major bear markets since the war? If so, it is time they researched their srchives and re-calculated their sums Present share prices If so, it is time they researched their such and re-calculated their sums. Present share prices are on the verge of lunacy, with with a massive injection of artificiality in values derived from blds at almost any cost by predator companies as many shareholders will discover in due coursa.

As The Real Mackenzle brand represents only 4 per cent of our volume this is not significant in the context of the development of Bell's brand. There would be no impact on employment in production or sales when the brand is acquired by the new company.

### Letters to the Editor

share prices. It is the investor (usually the small one) who will then lose out: not the analysts, the journalists, the brokere or the life insurance companies.

The share prices is the investor opportunities in export markets to the fullest extent. A Guinness/DCL merger can hasten this development considerably and thus result in further improvaments in sales and hence

19 Hynesbury Road, Christchurch, Dorset. Why Bell's backs

DCL merger

From the joint managing director, Arthur Bell

Sir,—The letter (February 21) regarding activities at Bell'e since the Guinness acquisition last August and the proposals for a DCL/Guinness merger contained a number of inaccurata statements. The broad statement that Guinness has not honoured commitments made to us during the bid is incorrect. The notion that a Guinness/DCL merger acts against our interests in any way is misleading.

During the contested take-over this past summer Guinness made three commitments to us: That there would be no re-dundancies. There have been

That a significant market research effort would be under-taken to identify operating and brand opportunities. That effort is currently under way and has already made significant pro-gress toward the achievement of objectives we set for ourselves in this area. That there would be develop-ment of other premium brands. That project is also well under

WAY. Prior to the takeover by Guinness consideration was being given to withdrawing support to The Reai Mackenzia brand. If placed in the new competitive entity to be sold by Guinness/DCL. Tha Reai Mackenzie will not be in the shadow of a dominant brand such as Bell'a Extra Special and has the potential to gain significant market sbare.

As The Real Mackenzie brand

employment for Bell's. D. A. H. Harley. Cherrybank, Perth,

Hordern colliery closure

From Mr A. Pratt

Sir,—The decision of the Review Tribunal to condone the Review Tribunal to condone the Coal Board's proposed closure of Horden Colliery in Durham is a blow to the coal industry as a whole, It is an even bigger blow for the people of Horden. The closure of the colliery will effectively rip the industrial base from tha community, pushing up already serious unemployment levels to 25 per cent in a matter of years.

in a matter of years.

The decision also throws doubt on the "independence" of the tribunal, and indeed of the suitability of Establishment-appointed arbitrators to decide on matters which have such devastating social consequences for the people involved. Particularly when such arbitrators' terms of reference seem to be primarily economic. Furthermore, as a report compiled by a research unit at Durham University clearly illustrates, such a decision only makes "economic" sensa insofar as it involves balancing the NCB's books. For the people of the county as a whola, it is a financial disaster.

What the report "Mismanas."

What the report "Mismanag-ing Horden" also leeves open to doubt is whether or not the present losses at Horden are the direct result of deliberately poor management decisions. Even more disturbing, e recent roof fail at Horden's most productive face raised serious questions about possibla sabotage. Such allegations demand answars from the NCB management.

their sums. Present share prices are on the verge of lunacy, with with a massive injection of articiality in values derived from blds ar almost any cost by predator companies as many shareholders will discover in due course.

No matter what the current weight of money, fundamental values will, in the end dictate

represents only 5 per cent of the context of that context of the context of the context of the development of Bell's brand. There would be no impact on employment in production or sales when the brand is acquired by the new company.

The logic supporting the Guinness acquisition of Bell's was that the Guinness marketing walles will, in the end dictate

Among all these doubts, however, three things are certain. Firstly, the present Government's energy policy is leading us further along the road towards nuclear power, and dependence on presently cheep dowards nuclear power, and dependence on presently cheep foreign coal supplies. Presently is the operative word: oil was the Cuinness marketing was that the Guinness marketing walls would allow us to exploit strike action to protect mines Among all these doubts, how-

against closure has been shown under a year, 24 pits have been closed, with the loss of 35,000 jobs. Givan the new hard-line attitude of the NCB management, this is likely to be only the heginning.

Finally, the present actions of the NCB and the Government place on us all a responsibility to support the NUM in its struggle to prevent the further decimation of the coal industry by the present "butchers" in control.

In this respect, we may avoid our responsibilities. We cannot escape the consequences. Andrew Pratt.
Department of Law, University of Durham

Teachers' pay package

From Mr R. A. Davies. Sir,—As a mathematics tea-cher, with a first class bonours degree, may I provide an analysis of Sir Keith Joseph's \$1,25bn four-year pay/conditions package?

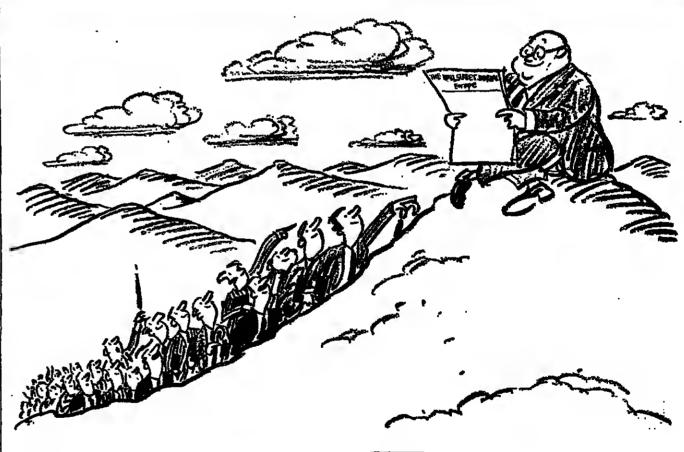
In the coming year, £200m would be made available. As this would not be withdrawn in the subsequent three years, it comprises £800m of the deal. The balance of the offer (£450m) consists of smaller payments in years two, three and four, similarly grossed up.

The Secretary of State has bimself confirmed that the offer is worth an increase of 8 per cent over these four years on top of "normal settlements." In top of "normal settlements." In such a period, my pay would usually drop twice this amount, compared with my neighbors, tha parents of those whom I teach, and my former pupils. The proposal is simply an invitation to grow poorer more slowly.

Mr Coombs (February 15)
will be pleased to learn that
teachers are quitting tha profession, though Gresham's Law
seems to apply and it is usually
the most vital who go. They
report that in industry end
commarca they do not work
more, longer, or more stressful
days.

The retreat from Houghton salary levels (set in 1974) saves £1.5bn in public expenditure each year. Teachers beading substantial departments a ker two or three promotions earn less than was thought appro-priate for those who were never

In the nation's educational service thera is a crisis — compounded of pay, resources, esteem and purpose — which is deeper end more enduring than your correspondents may believe. It is not of the teachers'



# **PROFIT FROM**

To compete in international the horizon.

And only one source can bring yourself slipping downhill fast. you this special perspective.

Without the Journal's uniquely made.

independent blend of European, business, you need a clear view of American and worldwide economic and business news, you could find

Start picking up your copy today. The Wall Street Journal/Europe. It could be the wisest move you ever



GO STRAIGHT TO THE TOP



### **FINANCIAL TIMES**

Monday February 24 1986



Terry Byland on

### Running nicely on cheap oil

BY THE END of last week the stock mistic form, brushing aside doubt-ful economic news such as the substantial downgrading of official fourth-quarter GNP estimates or the dip in US personal incomes in

January.

Wall Street is no longer interested in bearing bow US business was faring last year, or even last week. Shumping oil prices have been translated into tumbling bond yields and the stock market is looking six months or a year down the road when corporate profits can be expected to show the benefits.

The stock market, despite its gen eral euphoria, bas sbown some selectivity in appraising those stocks whose fortunes are closely dependent on US wage packets.

The Detroit motor stocks, which had begun to look threateningly fragile at the turn of the year, have returned to favour. On several occasions in the past fortnight the Dow averages bave been driven ahead by stellar performances from the

The linkage of lower oil prices and potentially lower interest rates can do nothing but good for Detroit. Both will spur customer demand ahead at a time when analysts were beginning to suggest the cycle was peaking. In addition, manufacturing costs will benefit from lower prices for oil-based plastics, now widely used in the industry.

Mr Scott Merlis at Morgan Stanley has reassessed the sales outlook for the industry in the light of the slide in oil prices. He expects 1987 sales to stay close to last year's total of 11m cars, a significant upgrading from his previous forecast of a 7 per cent fall. Sales will continue to push ahead next year, he believes, and the cyclical slowdown will be postponed until 1988. For the near term at least, the US manufacturers are likely to increase their percentage of total sales.

This translates into a substantial rewrite of profit forecasts for the big three. For this year, Mr Merlis expects Chrysler to return earnings of \$11.50 a share, 16 per cent down but much better than the \$10.65 previously forecast. Similarly, Ford is expected to turn in \$12.25 from 513.63 in 1985. General Motors could return \$10 a share, against

last year's \$12.28. It is profits of this scale which have kept the motor stocks at the head on market upsurge. However, the same does not apply to the retail stores, which have yet to respond to the general argument that lower oil prices will put more money into the pockets of US

The department store issues, in particular, have trailed the market and even failed to bold onto their own recent peaks. The retail sector is still prisoner to a disappointing 1985 which took in both an unexciting Christmas season and, it is beheved, a difficult January as the stores held their clearance sales.

While there is general agreement that the improved economic outlook in the US must improve the outlook for retail profits by the end of the year, Wall Street is slow to change its views of the stocks involved. At best, analysis are prepared to

adjust their opinions from negative to neutral. As the proposed buyout of Macy's indicates, the conventional department stores are seen as slightly penderous; a little old fashioned in modern retailing.
At the same time, stock prices at

12 times earnings in the case of Peony, or 13 times for May department stores, are regarded as generous enough until the money actually starts rolling in

Sears, Roebuck, described as a "concept" stock by Mr William Smith of Smith Barney, has yet to convince investors of the potential the profits still come from merchandising, which carried much of the blame for the 17 per cent drop in 1985 profits.

So any oil-price boost to consum-Sears' profits significantly before the stockholders have much to

There is one very weak spot in the retail pattern, according to Mr Walter Loeb at Morgan Stanley. Texas, where Dayton Hudson, Home Depot, Jack Eckerd, Dillard, Allied, Federated Department Stores and Tandy, the home compu-

Allied, Federated Department Stores and Tandy, the home computer retailer, are all exposed, is suffering body from the oil price slump. According to the Texas Retail Trade Association, retail seles in the state dipped 0.11 per cent in 1985.

If retail stocks can be hurt by misfortunes in Texas then Wall Street may be correct in taking a cautious view of stores with operations in the battered mid-west farm and industrial belt. Perhaps investors are safer to stay away from the retailers until the promised benefits of the oil slump begin to show up in the cash registers of the retail stores.

### Nigeria likely to begin \$7bn rescheduling talks

itors on rescheduling \$7bn in medi-

debt servicing in 1986 would be limited to no more than 30 per cent of rescheduling of some \$12bn in meited to no more than 30 per cent of export earnings, has taken on dium and long-term debt to the so-added urgency in view of the recent called London Club (commercial dramatic slump in oil prices which bank creditors) and Paris Club dramatic slump in oil prices which saw spot market prices in New York fall below \$15 per barrel.

President Ibrahim Babangida's 1986 budget forecast oil revenues at commitments of \$4.4bn this year. \$8bn. but senior officials have since been working to revise revenue and expenditure projections. It is esti-mated that every \$1 per barrel fall in crude oil prices cuts \$400m off Nigeria's foreign exchange receipts from oil exports, and one authoritative forecast has suggested that the

icy-making body, met last week to review budget targets in view of the sharply lower revenues now being realised from crude oil sales, which account for 97 per cent of export

bas been suspended while the re-view process is under way. It is un-rescheduling of medium and long

BY WILLIAM HALL IN NEW YORK

HANSON TRUST, the UK industri-

al holding company, is discussing the possible takeover of Union Car-

bide's battery products division, the

Hanson Trust is one of several

companies expressing interest in the US group's battery operations,

which have an estimated turnover

of more than \$1bn a year. However,

Hanson Trust's interest is stronger than most because Union Carbide's

battery operations would fit in well

with those of its British Eveready

hattery operation, which is the UK

Wall Street sources say Carbide

is asking for close to \$1bn for its

battery operations, which include

such famous hrands as Eveready

and Energiser hatteries. Union Car-bide's batteries are estimated to ac-

count for around 25 per cent of the

\$4bn a year global consumer bat-

Union Carbide announced early

last month that it wanted to sell its

consumer products businesses, of

NIGERIA is expected to begin talks derstood that only import licences term debt, both official and com soon with its commercial bank cred- which are funded with foreign exchange held abroad (a fraction of the total) will continue to be issued. Even before last month's collapse

um and long-term deht.

The move, which follows last month's hudget announcement that in crude oil prices bankers and dip-(Western governments) would need to be rescheduled if Nigeria was to avoid a default on debt servicing

> merchandise imports required to avoid a further painful contraction of the Nigerian economy would be Nigerian officials say they expect to meet commercial bank creditors

m London "very soon" to begin reexpected sustained drop in oil scheduling talks, although it is un-prices could depress 1986 earnings derstood that no bank steering como only \$6bn. mittee to co-ordinate the negotia-The influential presidential advitions has yet been formed. Nigeria's sory committee, a top economic pol- US bank creditors are thought to be somewhat reluctant to see talks begin now and it is not clear whether they will attend.
Nigeria's reluctance to

agreement with the International Monetary Fund (IMF) on an economic adjustment programme has

Hanson Trust may launch bid

which batteries are the biggest and

most profitable segment, as part of a plan to defeat an unwelcome take-

over hid from Mr Saul Heyman's

Union Carbide had originally

been hoping to sell its entire con-sumer products division, which in-cludes famous brand names like

Glad Wrap, Simoniz Wax and STP

auto products, to a single buyer. But

in recent weeks the company has been discussing the sale of individu-

al companies in the division. In 1984

Union Carbide's consumer products

operations reported operating prof-

The group does not disclose fig-

ures on the size of its battery prod-

ucts business, but Mr Leonard

Bogner, an analyst with First Man-

hattan, a New York broker, esti-

mates that batteries produced

\$1.2bn of sales in 1984 and operat-

\$1.5bn and operating profits to

its of \$226m on sales of \$1.9bn.

GAF Corporation.

ments are continuing to make an accommodation with the IMF an essential precondition to talks. This is understood to have been the message delivered to senior Nigerian debt negotiators during their recent visits to London, Washington and

However, senior Nigerian offi-cials stress that the London Club creditors bave made no such condi-tions to what they apparently con-sider is a preliminary negotiating round. But it is not certain that fi-nal agreement would be reached on duling before Nigeria meets its budget commitment to adopt a "realistic" exchange rate. Since the budget the Nigerian currency, the naira, has been held at par with the US dollar although it trades at only one-fifth that value on the black

banks alone would not be enough to see Nigeria through its current debt crisis, although it would bring substantial relief

An accord would reduce this year's debt service payments by some US\$1.8bn Iran presses Opec, Page 3; Survey, Section III

tors and tape recorders, and US consumers alone are believed to

spend more than 52bn a year on

Over the last five years the US battery market has been growing quickly, and although the growth is

spected to slow in coming years,

the growing use of battery-powered portable telephones and pocket-size

television sets will expand a market

British Eveready was acquired by

Hanson Trust for \$95m in 1981.

Hanson has reversed the company's

decline and invested heavily in the

After a late start, the company

the introduction of its Gold Seal

battery in the autumn of 1983.

flashlight battery sales.

ing profits of \$146m on assets of After a late start, the company \$949m. He estimates that by 1987 has moved into the high-perfor

battery sales will have risen to mance alkaline battery market with

#### interest It is clear that Paris Club govern-By Robert Graham and MEXICO is expected to ask its in

ternational creditors this week to accept a cut in interest payments on the country's \$97bn foreign debt.
Mr Jesus Silva Herzog, the Mexican Finance Minister, is due to arrive today in the US where he is expected to see representatives of the Reagan Administration in Washington and bankers in New York.

Mexican officials have declined

**Mexico** 

seek cut

in debt

set to

to give any details other than the fact that Mr Herzog is under in-structions from President Miguel de la Madrid to proceed on the basis that Mexico can no longer fully ser-vice its debt as a result of the oil price collapse.

This position was formally an

nounced by President de la Madrid on Friday night in an unprecedent ed nation-wide broadcast in the presence of the Cabinet and all 31 state governors.

"The net effect of lost oil revenue on the 1986 balance of payments cannot be compensated solely through the influx of new money," be said. This would push us into ar interminable vicious circle. Therefore a solution also requires sacrifices on the part of our internation al creditors who have been jointly responsible for the process of

He laid down four basic criteria for Union Carbide battery unit for the negotiations:

Mexico's deht service burden must be realigned to its real capacity to pay;
• Efficient and cheaper financing

mechanisms must be put in place; Batteries are one of the largest and most profitable categories of disposable consumer products. The Markets must be open more free ly to Mexican exports to stimulate growth and therefore the country's average US household owns more than nine battery-operated devices ranging from flashlights to calculacapacity to pay;

 An improvement in the general level of international economic cooperation must be forthcoming.

President de la Madrid has thus also addressed himself to the governments of the industrialised na tions and the US in particular. The latter is now being relied upon to play a key part in the forthcoming

Details of the change in Mexican policy on debt have been kept secret. But Mexico's major creditors are understood to have been kept well informed in an attempt to limit the fall-out from this radical shift.

Mexico none the less recognise that its policy is bound to have an impact on the meeting of the Cartagena group, comprising Latin America's 11 main debtors, due to begin on Thursday in Punta del Este, Uruguay. Argentina has already proposed that the meeting seek a sharp cut in international interest

Mexico's preferred option is that the banks cut the effective rate of interest it pays to not more than 6 per cent. Such a cut would not fully cover the finance gap this year caused by a projected \$6bn shortfall in oil revenues.

Thus, some sort of bridging finance is likely to be sought from the US Government. Mexico is also expected to seek a further postponement of the principal repayment of \$950m due next month

Oil price fixing, Page 3; Back to the bankers, Page 12

#### **US** prepares 'delicate' fibre talks strategy By Nancy Dunne In Washington

ASIAN TEXTILE exporters are hracing themselves for a renewed onslaught from protectionist lobbies in the US following the news that Washington has asked Hong Kong for early renegotiation of bilateral agreements on textile exports

The move by the Reagan Administration to open agreements not due to expire for almost two years was described as "explosive" by a trade official at the South Korean

embassy in Washington.
Concern in Asia about protection-ism was fuelled by the news that Mr Charles Carlisle, the chief US promised to "halance the interests of textile producers and importers" surges," is to visit South Korea, China, Thailand and Taiwan.

News of the US request to Hong Kong for renegotiation came from Mr Eric Ho, the territory's Trade and Industry Secretary, who is vis-iting the US. He said the proposal had been put to him by Mr Carlisle. Diplomats in Hong Kong said that such a request was unlikely to have been made to the Crown Co-lony alone and that other major tex-

A number of Asian garment manufacturers interpreted the latest US moves as a "divide and rule" ploy ahead of the multi-fibre arrangeTHE LEX COLUMN

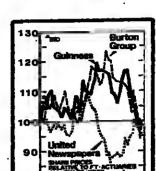
### Buy now while stocks last

All have won and all shall have prizes, said the Dodo at the end of the Caucus race in Alice in Wonderland. The same, it seems, goes for the takeover race in the City of Lon-don. Bidders see their share prices rise when they make an offer, shareholders in target companies realise an instant capital gain and any number of financial intermedi-aries collect handsome fees for their services. Newspapers, which fill their pages with takeover adver-tising, are happy spectators and in-stitutions do best of all, winning one prize in their capacity as under-writers and another when they cash

It may be that everyone will still be smiling a year from now. If the managements of the acquiring companies do indeed work the magic promised in a thousand offer docupromises in a timusand offer cocu-ments and full-page advertise-ments, the performance of the en-larged groups will vindicate the premiums paid and costs incurred. Similar promises have been made in earlier periods of high takeover activity, and there is not much evidence to support the idea that shareholders have benefited. Share price underperformance on the part of the offeror company has tended over a period to compensate for the short-term outperformance of the

Last year, for example, Burton Group, United Newspapers and Guinness all completed takeovers financed to a substantial extent with paper. All suggested that earnings per share would over time be nced by the transaction. Yet the share price of each company has underperformed the All-Share Index in the period since the offer was first announced. What distinguishes the latest outbreak of offeritis is the opportunity for - and onus on - management to push through a takeover at a very full price. This is, in part, a matter of plain accounting. If an offer suc-ceeds, the costs can be written off against the assets of the acquired company, which may themselves be revalued to disguise even the bal-ance sheet impact. If, however, the same offer lapses, those costs must be borne as an extraordinary item together more conspicuous.

The higher costs - and just at the moment they are very high indeed



come out ahead. If, as in the case of Guinness and Distillers, the offeror is spared the costs of the offer, re is less need than ever to justify a bid to shareholders.

Stockbrokers and merchant banks also have a clear interest in their client's offer being declared unconditional. Fees charged by financial advisors are to a growing extent performance related. When a merchant bank receives a fee calculated as a percentage of the value of the transaction, it is hardly surprising if the bank's priority is to close a deal rather than serve the interests of the client's shareholders. The major institutional share-holders are well hedged, whatever

happens. So long as they hold shares in both the bidder and the target, which they generally do, the profit on the target should offset any subsequent underperformance by the offeror. The institutions also stand to receive offeror shares at a discount to the market if they underwrite a cash alternative, And, on top of that, they can be paid comfrequently the same risk several times over. In the case of both Distillers and

Imperial, the institutions are being paid two sets of commissions. As the right deal for the offeror.

Yet, if anyone is to slow the pace compete. Historically, companies the greater the incentive to suc of takeover activity, it must be the such as Goldman Sachs and Morceed. The costs of an unsuccessful institutions. So long as the equity gan Stanley—which have developed any capital profit realised by the need to turn down underwriting loser when it accepts the winning commitments. Yet if a fall in the bid. But, while this may be satisfac market left the underwriters with a side, but that is a judgment which

London takeover race would look rather different. Not evreyone would be winning prizes.

#### Exco/Morgan Grenfell

Exco and Morgan Grenfell have spent the past year dithering about the Big Bang. Exco has deliberately avoided making a real commitment to the London Stock Exchange. while Morgan Grenfell has been torn between the establishment of its own securities operation and the acquisition – through Pinchin Den-ny and Pember & Boyle – of a second division presence in the domes-tic market. Now they have both come clattering off the fence in order to create the largest investment banking group in the UK.

The arrangement has clear advantages for both sides. Exco at last finds a role in the London securities market to set alongside its money broking operations and Far Eastern broking operations and Far Lastern brokerage house, while Morgan gains access to a pool of capital which — as it proudly points out— will give it more capital than Mor-gan Stanley, if rather less than Morgan Guaranty. Exco is appar-ently aiming to double its share capital, putting a value on Morgan Greefell of around £500m. and Grenfell of around £500m, and leave its £400m of net cash available for deployment in the enlarged

Exco is no doubt hoping that the broadening of its capital base will dilute its largest shareholder into a less threatening position, while giving it the immunity from a foreign takeover that accepting house sta-tus traditionally brings. Morgan Grenfell surrenders the flexibility ions for underwriting what is of a private company for a more secure future and the prospect of a dominant management role in the combined group.

13 t 20 T

34. N

The Bank of England will be happy to see another home-grown in-vestment bank to set alongside the second underwriting is almost vestment bank to set alongside risk-free, institutions have no incentive to duck the commitment a relaxed view of the potential coneven if they believe the counter-of- flict between banking and money feror is overpaying. Indeed, as the broking. So long as Exce's money level of commission is now linked to broking business is run on an arm's the outcome of the offer in many in- length basis, the Bank will probably stances, the institutions have a conclude that this combination is succeed regardless of whether it is foreign interests and a Morgan the right deal for the offeror. Grenfell which lacks the capital to tory in accounting terms, it is hard-ly sound arithmetic for everyone to merchant bank unable to sub-un-Bank, can be expected to deliver.

### Swedish bearings make Japanese breakthrough

SKF of Sweden, the world's largest pan, where it has only a tiny share

bearing manufacturer, has suc- of the market. ceeded in breaking into the Japaings, hitherto an exclusive preserve of domestic manufacturers. SKF said yesterday that it had

reached agreement to form a 50/50 joint venture with Koyo Seiko, one of Japan's leading bearing manufacturers, to produce and sell in Japan automotive components developed by SKF.

The main shareholder in Koyo, with a stake of around 20 per cent is Toyota, Japan's largest car manufacturer, which controls nearly 40 per cent of the domestic market.

The jointly owned SKF/Koyo company will be established next month and will be located in Tokyo. Mr Mauritz Sahlin, SKF chief executive, will be chairman of the venture, and the managing director will be Mr Toshio Morita of Koyo.

The new company will not own manufacturing facilities but will operate on the basis of subcontracting the manufacture and sales of specif-ic products. SKF itself will continue

Morld Weather

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

As a first step the new venture is nese market for automotive bear-to be given the rights in Japan to the hitherto an exclusive preserve manufacture clutch bearing units for manual gearboxes and free

The manufacturing and sales rights for these products in Far East markets, including Japan and Australasia, have been sub-contracted to Koyo. SKF has retained marketing

rights for the rest of the world, except where the products are made SKF said yesterday that the

locally in Japan. agreement would introduce its products for the first time to the Japanese automotive industry, which previously had been served exclusively by Japanese bearings manufacturers. It was intended that the joint ven-

ture would gradually be expanded in order to give Koyo increased access to "certain technically-advanced SKF automotive products," and to give SKF "a significant pres-

#### Reagan replies to Gorbachev missile plan

Continued from Page 1 an agreement on cutting their own

strategic nuclear weapons.

Though the US has taken into account the fears expressed by China and Japan about the consequences of leaving Soviet SS 20s in place in Asia, not all the European reservations about the original US plan seem to have been satisfied in President Reagan's latest proposals. One of the ironics of the arms control debate between the US and

its European allies has been that some of the countries who were most reluctant to accept cruise and Pershing missiles on their national territory such as the Netherlands, are now having second thoughts.

There is a growing body of opinion among European members of

the alliance that the complete elimination of medium-range missiles from Europe would leave a dangerous gap in their defence armoury and make them more vulnerable to the overwhelming superiority of the Warsaw Pact in conventional

#### Rescue plan for tin market Continued from Page 1

Agreement on how that total is to

be shared between governments, banks and brokers has so far been elusive. Precise financial details of the latest proposals were not available yesterday, but it is thought that they call for greater contributions from the governments and the prepared to contemplate.

In particular, it is understood that the UK, which has campaigned

for a solution in order to preserve the LME, would be expected to put up more funds than the £25m in tile exporters to the US should excash and C25m in loan guarantees it pect similar approaches. has offered as a unilateral contribution. The other ITC governments might also have to raise their share above the £100m they have already

### Deal with today's market makers. or down. But to make it, you need to be a member of Ladbroke Index. To speculate on future movements or to hedge a portfolio against a falling market. Lathroke Index has all the facilities, service and flexibility you need. As a Member of the Ladbroke Index, you can speculate on the world's major markets, IT 30 Share, FTSE 100 Share, Sterlings Dollar Rate, the London Gold Price, etc. \* You don't hay any shares or options. \* Tax free probes. \* No dealing fees. # Trading desk open every weekdin; 9,30am to 9,183pm # Instant over-the-phone quotes available to all Members. Find out more about Membership of Lidbroke Index. Samply use the coupon below (no stamp required) or telephone (weekdays) 4.00am to 5.00pm; (1) -861-4567, or 5.00pm to 9.00pm; 111-427 4411. · Post the coupon to: Ladbroke lades. i RELPOST, Harrow, Middlesex, HA1 2BR I would like full details of the Ladbroke Index service. I confirm that I am over 18 years of age.

THE NO 1 FINANCIAL MARKETS SERVICE



### SECTION II - COMPANIES AND MARKETS **FINANCIAL TIMES**

Monday February 24 1986



### Midlantic in **Continental** acquisition

By Paul Taylor in New York

MIDLANTIC BANKS, the second largest banking group in New Jersey, agreed to acquire Conti-nental Bancorp of Philadelphia nental Bancorp of Philadelphia, in a stock swap deal valued at \$680m. The deal, which anticipates the passage of inter-state banking laws in New Jersey and Pennsylvania, will create a regional banking group with over

Under the terms of the merger agreement, which is also subject to approval by shareholders, the US Federal Reserve Board and other regulatory agencies, Con-tinental's shareholders will receive 1.4302 shares in Midlantic for each Continental share they own. On Friday Continental's stock closed up \$4.75 a share at \$57 a share, while Midiantic's stock slipped by 37½ cents to \$43

As part of the agreement, Midlantic received a warrant to acquire Continental preferred stock convertible into 24.9 per cent of Continental's outstanding common stock under certain conditions. Continental is the seventh largest banking group in Pennsylvania and has long been viewed as a potential takeover target. Midlantic ranks second to Fidelity Union in New Jersey.

The merger deal represents a logical extension of Midlantic's banking marketplace. The new group would be based in Edison, New Jersey, and have particular strength in local retail and middie-market corporate lending. Interstate banking is currently prohibited in both New Jersey

However, the agreement was made in anticipation of changes in state banking is allowing re-ciprocal regional banking. Pennsylvania's state senate recently approved an interstate banking bill, and local bankers appear confident that similar me will pass in both state legislaINTERNATIONAL BONDS

### Eurodollar issues flood fails to make a splash

manager, watching the \$2bn worth of fixed-rate Eurodollar issues launched last week.

Most were undistinguished, neither great successes nor fai-

"As long as we hold them inside the fees, we're not losing money and we get up the league tables, but we'd be making more in the US Treasury market," another new issue banker admitted.

Once again "spreads have widened was the message of the week.
As the US Treasury market raced showed and was trading just within the fees. But the deal, in theory, crawled behind. No one expects this tortoise to end up winning. Yields But while the borrowers were

"ALL THESE borrowers coming nt taking advantage of the low level of these levels must be telling you coupons, investors were worrying something," said one syndicate about the currency and thinking placements. that coupons are nearly as high in some sectors with a stronger ex-change rate and even higher in others where there are chances of

currency gains. As paper piles up on underwri-ters' books, some bankers expect yet more to come this week and then a correction, leaving them nursing losses.

One significant development last week was Amoco's 30-year issue, callable after 10 years at a prem-ium. After a good start as demand cannot be left too far behind New York because the bonds are immeerally issues cannot be sold into the rally.

Perhaps the arguments the raged at the time of the repeal of withholding tax, where some bankers suggested the market would be rest suggested the market would be rest. Perhaps the arguments that ers suggested the market would be-come "global," with bonds sold worldwide on the same terms, will appear again. Amoco at least was hedging its bets by launching n do-mestic US issue too. Other non-US borrowers will take n lot of per-suading to go through with an SEC

Of the week's deals, the World Bank's latest 30-year issue was trading well on Friday, having been launched with impeccable timing on Thursday night ready for the Friday surge in the long bond. Phion Eurodollar bonds have risen diately saleable in the US, being lips' deal, coming on Friday aftersignificantly relative to treasuries, registered with the SEC. That prosepecially on Friday afternoon vides a backstop to the deal which the Rew York took off.

The long bond. Phigish in the Canadian dollar and sterling sectors of the market eithnoon, was also neatly timed. Atlantic Richfield's issue, like most othfied window which too many borwhen New York took off.

8,000.2 284.9 2,831.1 1,708.9 4,182.2 198.2 1,301.5 250.8 2,182.3 3.5 1,196.7 220.0 914.9 — 10.9 172.5 Secondary Market USS 21,259.0 1,036.2 10,316.1 3,275.4 Codel Euroclear Total 13,004.0 32,728.9 45,780.9 11,500.1 27,777.3 38,338.4 7,914.4': 7,458.2 14,472.5 6,340.1 5,632.3 11,601.4

Issue activity has not been sluggish in the Canadian dollar and was told again.

Week to February 20 1986 Source: AIBD

A total of C\$310m was launched through four deals last week, two of them of C\$100m, considered about the most the market can handle. These were not all aimed at the same types of investors, with some appealing to retail buyers and others to institutions. GMACs issue had the best initial reception. Inves-tors are gambling that Canada's determination to support its currency added to coupons higher than in US

In the sterling sector the theory is that continental investors should now be keen to buy the currency again, in the hope that it too has passed its low. The issue for Deutsche Bank clearly showed where demand was expected to ap-pear. But last week's deals did not sell quickly, and some bankers question whether there is really ifficient interest in the pound yet. But that may not stop more borrow-

The D-Mark sector is coming in for good demand as hopes of interest rate cuts pushed up prices last week by around % point. New is-sues have almost without exception been warmly received, with even Chrysler's trading comfortably within fees. The calendar for February is by no means comple

with only around half the fixed-rate

deals on the list coming so far. As

usual there are suspicions that some have been postponed. Coupons in the Swiss franc foreign bond market have been tum-bling, so much so that a 10-year is-sue for Bear Stearns was awarded a 5% per cent coupon and Commonwealth Bank of Australia's five-year deal has a 4% per cent coupon and a

100% issue price. Thomson-Brandt's SFr 100m 12year issue with equity warrants had a strong debut on the stock market

### **Boardroom** changes for AIBD

MR ARTHUR SCHMIEGELOW chairman of the board of managing directors of Privatbanken, is tipped to be the next chairman of the Association of International Bond Deal ers (AIBD), writes Maggie Urry in

Mr Damien Wigny, the current AIBD chairman, is retiring at the annual general meeting to be held in Singapore in May. He is an executive director of Kredietbank Luxembourgeoise and has been AIBD chairman for four years.

The May meeting will see the first elections to the 15-member board under the new nomination system agreed by members at an extraordinary general meeting in December. A nomination committee consisting of ex-AIBD chairmen, regional representatives and out-going board members has se-lected a list of 15 candidates to put to the AGM.

Other pominations can come from members, over the next 30 days, though it is felt that outside candidates are unlikely to put themselves forward. Seven members of the existing board have been put forward for re-election. and there are eight new names.

A board comprising senior repr sentatives of the industry is thought to be essential to the AIBD as it grows from being a trade asso-ciation to a part of the new regulatory environment. The AIBD is hoping to become a recognised investment exchange under the investor protection framework being intro duced in the UK.

The agreement of members outside the UK to changes and requirements, such as price provision, necessary for the AIBD to become a recognised exchange, is vital if the association is not to split apart. That is thought to be the reasoning behind the selection of Mr Schmiegelow, who has "neutral" status, as the likely chairman.

The AIBD is making progress on a study into a screen trading facility based on that operated in the US by the National Association of Securi-

#### **EURONOTES AND CREDITS**

### Japanese banks take on challenge of \$500m Algerian loan

loan on very fine terms, writes Pe-ter Montagnon in London.

What the bank wanted was a 10year deal with a margin of % per cent over the London interbank offered rate (Libor) for Eurodollar deposits. For once, however, things have not gone entirely the Algerian

The 10-year maturity has proved too much for the European, US and Middle Eastern banks that were in discussion with the borrower, espe-cially since the deal would initially

Banque Algerienne du Dévélopperower a \$300m credit carrying the ment began soundings for a \$500m same margin and maturity.

For the market as a whole this

Although this will not necessarily be an exclusively Japanese deal, IBJ believes it can count on enough Japanese support to guarantee its success. Any non-Japanese banks will be asked to underwrite much smaller amounts than in the originel \$500m project, and that might help them overcome their objections to the low margin and long

exercise has turned out to be yet have involved a hig ticket under- another reminder of the muscle

ALGERIAN negotiators have always been regarded as tough in the Eurocredit market, so it came as no surprise two weeks ago when the surprise two weeks ago when the Ranque Algerienne du Dévéloppe-

year deal have foundered, exposing gin of just % per cent.

a limit to the degree of support it

Citicorp is now making can count on from the international for market share in the syndicated banking community as a whole. All loan and Euronote market and in so this has happened at a time when falling oil and gas prices suggest akin to that of the bond market, the country will have extra borrow- Like its credit for Standard Life, ing needs. Next time around it may which was increased last week to be the Algerian side that has to £210m from £175m, the IRI credit is

have involved a big ticket under- another reminder of the muscle writing at lead manager level. As n that Japanese banks are now able % is very generous by today's stan-; icorp will be able to use securities up to half the total as at present. Its

seeing their Japanese counterparts derwriting the whole of a \$300m, 10tagging along behind.

For Algeria, however, the result friday afternoon for Italy's state industrial holding company, IRI. The to win broad support for a large 10-deal, which is a bullet, bears a mar-

> Citicorp is now making a big push doing has adopted techniques more a "bought deal." It will be fully

compared with a range of 25 to 37% points at present. Another change is that Portugal will be able to draw the full amount

renegotiate the \$500m credit and

Euronote facility arranged by Por-tugal last year. The maturity is to

remain unchanged at 1993, but the

commitment fee is being cut to 1/2

per cent from 4 per cent. Drawings on the core standby credit will bear

The eight-year credit being ar Tokyo also announced a plan to

ranged for the Soviet Foreign Trade Bank by National Westminster Bank has been raised to \$250m from \$200m, while Belgium's \$500m credit has just limped home after a rough ride in syndication. Morgan Guaranty as lead manager said on Friday the deal was fully

interest at a margin over Libor ranging from 15 to 25 basis points depending how much is taken up, subscribed, although big Belgian banks that might have been expected to share in the mandate stayed away for political reasons. That also led to extreme caution on the part of Japanese banks which are taking up an unusually low share of 25 per

This announcement appears as a matter of record only. These Securities have not been registered under the United States Securities Act of 1933 and may not, as part of the distribution, be offered, sold or delivered, directly or indirectly, in the United States or to United States persons.

New Issue / February, 1986

ECU 56,000,000



91/4% Subordinated Notes Due March 12, 1994

Salomon Brothers International Limited

Banque Bruxelles Lambert S.A.

Banque Nationale de Paris

BankAmerica Capital Markets Group

Banque Générale du Luxembourg S.A.

Caisse des Dépôts et Consignations

Banque Internationale à Luxembourg S.A. Berliner Handels- und Frankfurter Bank

**Banque Paribas Capital Markets Limited** 

Chemical Bank International Limited

**CIBC Limited** Crédit Agricole

Creditanstalt-Bankverein

Crédit Commercial de France

**EBC Amro Bank Limited** 

Credit Lyonnais

Generale Bank

First Interstate Capital Markets Limited

Kleinwort, Benson Limited

Genossenschaftliche Zentralbank AG Kredietbank International Group

Mitsubishi Finance International Limited Nippon European Bank S.A.

Nomura International Limited

**Orion Royal Bank Limited** Swiss Bank Corporation International Limited

S. G. Warburg & Co. Ltd.

Société Générale

Morgan Guaranty Ltd

ent appears as a matter of record only. These Securities have not bean registered under the United States Securities Act of 1933 and may not, as part of the distribution, be offered, sold or delivered, directly or indirectly, In the United States or to United States persons.



U.S. \$400,000,000

The Kingdom of Belgium

Floating Rate Notes Due February 1991

Salomon Brothers International Limited

Generale Bank

New Issue Fabruary, 1986

**Credit Suisse First Boston Limited** 

Merrill Lynch Capital Markets

BankAmerica Capital Markets Group

**Bankers Trust International Limited** 

Bank of Tokyo International Limited Banque Bruxelles Lambert S.A./Bank Brussel Lambert N.V.

Banque Nationale de Paris

Chase investment Bank

Chemical Bank International Limited

Banque Paribas Belgique S.A./Paribas Bank België N.V. **CIBC Limited** 

Citicorp Investment Bank Limited **Deutsche Bank Capital Markets Limited** 

Crédit Commercial de France

Daiwa Europe Limited First Chicago Limited

Goldman Sachs International Corp.

**EBC Amro Bank Limited** 

Kansallis Banking Group Kredietbank International Group

LTCB International Limited

Kidder, Peabody International Limited

Mitsubishi Finance International Limited

Mitsui Finance International Limited

Morgan Guaranty Ltd Morgan Stanley International

Nomura International Limited Swiss Bank Corporation International Limited Shearson Lehman Brothers International

S. G. Warburg & Co. Ltd.

Union Bank of Switzerland (Securities) Limited Westdeutsche Landesbank Girozentrale

of government short paper.

By the end of the week senior market economists and Fed

watchers had pawed over Mr Volcker's comments and come

up with their own potted con-clusions. Among their com-

Dr Henry Kaniman of Salo-

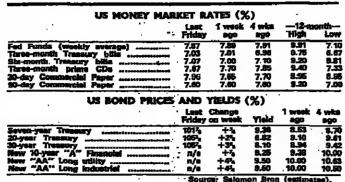
mon Brothers argues that the Fed "will continue to pursuo its recent policy of maintaining

### Rally pushes long yields to six-year lows

DOWN, DOWN, Down went oil prices last week, tambling by \$2.50 a barrel and piercing \$14 a barrel in the process. Up, up, up went bond prices. The rally reached new peaks last week as prices soared, sending long yields plummeting to six-year lows — flattening the Treasury yield curve still further. Behind the current phase

the now six-month-old rally is growing investor confidence that the market's long-time Nemesis—inflation fears—is in While the recent dramatie drop in spot oil price is the immediate trigger for this dramatic reappraisal, waru-ings by Mr Paul Volcker, the Fed chairman, about the inflafurther sharp decline in the dollar, perversely worked in the same direction

Much of the Fed chairman's Humphrey-Hawkins testimony ast week was neutral at best comment that monetary policy remains basically unchanged. But the single most important from Mr Volcker's testimony



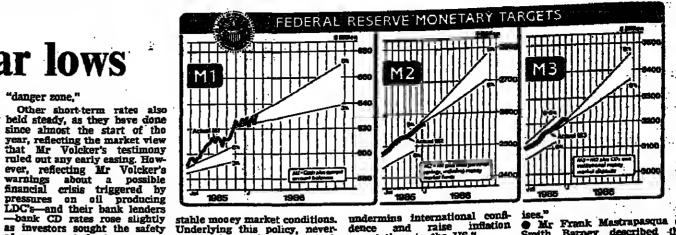
against inflation. short-term money market rates have remained virtually static. Thus the market that even with o weaker dollar result the yield differ-between three-month and o stronger domestic economy it is "safe" to step

The evidence for this radically changed market perception lies in what has happened to Shrugging of negatives like the higher than expected \$6.1bm jump in M1 and the high \$62bm level of discount window borrowings, the Treasury long bond closed with gains of \$1 points the Treasury yield curve in the past few months—and last week in particular. While the long bond yield has plunged, smashwas that he is still not letting ing first the 10 per cent and go of his seven-year battle now the 9 per cent barriers, and a yield of 8.70 per cent, of the US currency reaching a

earlier month and 9.42 per cent a ago. Long corporate bonds followed suit, posting almost unprecedented gains of In response company treasur ers launched \$3.52bn of new corporate fixed income a uri-ties into the market last week.

Despite this huge volume— which follows a similar sized tranche the previous week long issue yields fell by between 50 and 63 basis points and many of the new issues brought to market were quoted at premiums by Friday. Fore-shadowing a further avalanche of new issue the volume of Rule 415 debt shelf registrations currently stands at a peak \$116.4bn

In stark contrast the Fed Funds rate held relatively steady of around 7.90 per cent ential between three-month
Treasury paper and one-year
bond yields has narrowed
dramatically—to around 155
points on an equivalent basis
at the end of last week.
Shrugging off negatives like the
Shrugging off negatives like the
the move as indicating the
determination of the Fed not
allow short rates to provoke the kind of inflationary dollar collapse Mr Volcker was clearly concerned about when he spoke



Underlying this policy, never-theless, is a substantial provi-sion of bank reserves."

Dr Kaufman argues that the Fed chairman's testimony "underscores the key role of the dellar in monetary policy deliberations." He adds: deliberations." He adds: slide, worsen inflationary "Although the Fed is not psychology and blunt congresopposed to some further stocal deficit cutting efforts." orderly decline in the dollar, it But he adds: "That does not is fearful that a precipitious preclude a Fed easing this drop in the currency

undermins international confidence and raise inflation expectations in the US." Mr Philip Braverman Irving Securities says: "Chair-men Volcker is concerned that a significant casing might trigger a precipitous dollar slide, worsen inflationary

spring once the dollar stabil-

 Mr Frank Mastrapasqua
 Smith Barney described t
 Fed chairman's remarks Barney described the chairman's remarks as Vnicker highlighted tho associated with a sharp d decline, he says "a number of important considerations pro-vide comfort for the likelihood important co Fed policy should persist for some time."

Paul Taylor

#### UK GILTS

### PSBR figures help to consolidate gains

Government has baffled the Young Turks in the City with the money supply in the January banking month, and last week with the announcement of Jamuary's requirement. The news that the ublic sector had repaid a net 64.5hn of borrowings — double most forecasts — helped to consolidate the gilts market's gains on Monday and Tuesday. Some stocks put on 2 points

many days, gaining strong in line with inter Januar national bond markets, and benefiting from the dollar's weakness. After a slight correction, the market strode forward again on Friday, with gains of up to 11 points. The dollar's decline has

already begun to hurt some sectors of European industry. which have seen their profit margins on international business eroded, as well as eliciting

The feeling is growing in many quarters that the dollar should not be allowed in fall much further in the near with the future, and this should put
Jamisry's downward pressure on interest
borrowing rates outside the US. The pain
two that the threshold, however, does not appear yet to have been reached in Europe. At least, the Bundesbank still shows no inclination to take the lead in

cutting interest rates.
The City's response to the PSBR surplus January has shown varying degrees of caution. Mr Bill Martin of Phillips and Drew considered raising his forecast of the eventual PSBR outturn for 1985-86 because of doubts about the level of public spending, while Capel-Cure Myers's. Mr Mark Cliffe cut his pro-

jection.
"You can explain away perhaps half of the £2bn discrepancy in the January figures concern from by timing of tax payments, but central bankers it is hard to do more than that,"

so he can maintain his PSRR targets and still make tax cuts." In Whitehall, predictions of a major PSBR undershoot were

being discounted. Some tax receipts certainly appear to have come in earlier than in previous years, and borrowing an increase. But there was some feeling that the 1985 Budget forecast of £7bn might end up closer to the mark than the autumn statement revision to

An undershoot this year should st least make the Chan-cellor more plausible in presenting his Budget next month, if he chooses to put forward a low PSBR projection as well as

strengthen, and three month interbank rates in the money rates must have been a market fell below 12.5 per cent in the last Yew weeks. for the first time since base rates rose to this level on

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an offer of, or invitation to the public to subscribe for or to purchase, any securities.

General Electric Credit Corporation (Incorporated in the State of New York, U.S.A.)

of US inflation as a result of lor can now say that aon-oil tion is now mounting about the the dollar's degreciation. from rising as they have threat-ened to do for the last six weeks, might now be in for o

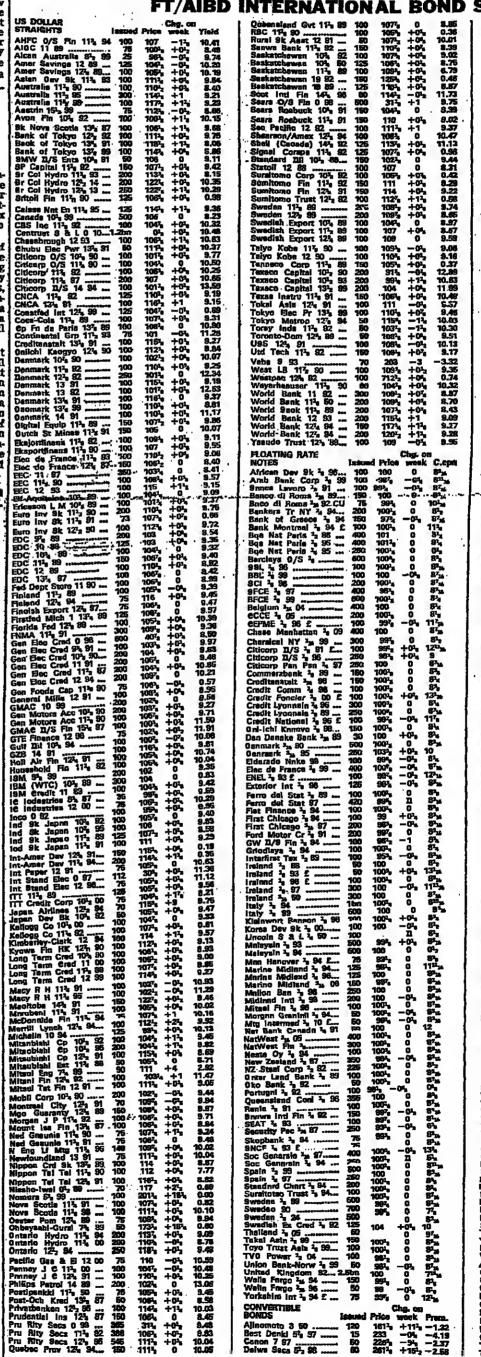
> a base rate cut before the Budget, and o very strong likelihood of one immediately after." said Mr Kevin Boakes senior economist at W. Green-well. "The only obstacle to a cut is the possibility of a further sharp fall in the oil

the clearing banks, which still face money market rates at least 2 point above their own base rates on shorter term money. Nor does the idea low PSBR projection as well as arouse much enthusiasm in Whitehall or at the Bank of England, whose confidence in figures have helped sterling to its ability to resist market sentiment on the direction of base rates must have been enhanced

George Graham



would



YEN STRAIGHTS Aslao Oev Bi, 79, 94
Aslao Oev Bi, 79, 94
Avon Products 63, 91
Illanmark 64, 92
Dow Chamical 7 94
EUrofina 74, 94
Eurofina 74, 94
Eurofina 75, 92
Eurofina 75, 92
Intel 67, 93
ITT 67, 9 105% 86% 1001% 1003% 100 LUXFR STRAIGHTS Chy. or 1 Price 1004; 1064; +04; 1003; +04; 100 -05; 1114; +04; 1065; +04; 1104; +04; 1105; +04; CANADIAN DOLLAR Amer 124, 97
Aust Resources 114, 82
Bank of Tokyo 107, 92
Bank of Tokyo 124, 91
9r Col Munic 137, 91
9r Col Tale 124, 99 -47<sub>4</sub> -52.21

The foregoing Corporation is an affiliate of General Electric Company, U.S.A. U.S. \$300,000,000 **Extendible Notes Due 2011** The following have agreed to purchase the Notes: Merrill Lynch International & Co. Crédit Lyonnais Daiwa Europe Limited Manufacturers Hanover Limited LTCB International Limited Union Bank of Switzerland (Securities) Limited Algemene Bank Nederland N.V. Bank Brussels Lambert N.V. Barclays Merchant Bank Limited Banque Nationale de Paris Creditanstalt-Bankverein Den norske Creditbank Gulf International Bank B.S.C. Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) Mitsui Trust Bank (Europe) S.A. Lloyds Merchant Bank Limited The Nikko Securities Co., (Europe) Ltd. Nippon Credit International (Hong Kong) Limited Swiss Volksbank, London Branch Westdeutsche Landesbank Girozentrale Société Générale Union Bank of Norway Banca del Gottardo Bank Gutzwiller, Kurz, Bungener (Overseas) Limited Bank of Tokyo International Limited Bank Leu International Ltd. Fuji International Finance Limited Genossenschaftliche Zentralbank Aktiengesellschaft Kyowa Bank Nederland N.V. Great Pacific Capital S.A. Application has been made for the Notes in the denomination of U.S. \$5,000 constituting the above issue to be admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary global Note. The Issue Price of the Notes is 100.125 per cent. of their principal amount, Interest will be payable annually in arrear on 4th March, the first payment being made on 4th March, 1987. Listing Particulars are available in the statistical services of Extel Statistical Services Limited. Copies of the Listing Particulars will be obtained in the form of an Extel Card during usual business hours on any weekday (Saturdays and public holidays excepted) from the Company Announcements Office of the Quotations Department of the Stock Exchange, Throgmorton Street, London EC2P 2BT, up to and including 26th February, 1986 or during usual business hours on any weekday (public holidays excepted) at the addresses shown below up to and including 10th March,

> The Chase Manhattan Bank, NA, Woolgate House,

12 Tokenhouse Yard, London EC2R 7AN.

CONVERTIBLE BONDS

recent shars price.

WARRANTS: Equity warrant prem-exercise premium over current share price.

† Perpetuel.

#### INTERNATIONAL CAPITAL MARKETS AND COMPANIES

FRENCH INSURANCE

### Bourse upsurge blunts privatisation hopes

The shares of Groupe des Assurances Nationales (GAN), tha fourth largest French per cent. Some 11 per cent of GAN's shares are publicly held.

AGF and GAN face the prospect of being denational-lised first among the French insurance groups because they

Blue Circle

to 11 cents

By Jim Jones in John

cuts dividend

BLUE CIRCLE, the South African affiliate of Blue Circle

Industries of the UK, suffered a severe profits decline in the

13 months ended December 1985, and is cutting its dividend.

The setback occurred despite substantial improvement in turnover, and trading profit which rose by 23 per cent.

Pre-tax profit dropped to R2.73m (\$1.35m) from the pre-vious 12 months' R13.87m. Turnover increased to R291m

from R194m, in part because of the consolidation of D & H Materials. Trading profit was R57.5m against R46.8m.

The cement and materials divisions were both affected by lower demand and higher costs.

This was exacerbated in the cement division by the commissioning of additional capacity which led to a more than doubled chargo for depre-

The new cement facilities

bave increased annual capacity to 2.5m tons. At present, how-

ever, plant ntilisation is about

The dividend is being re-

duced to 11 cents from 38.5

On the basis of current share prices, the market capitalisation of AGF is FFr 13bn (\$1.83bn) and of GAN FFr 8.1bn. This compares with an evaluation put on them last year by Jean Loyrette, the French legal firm which has been consulted by the Opposition, of FFr 9.8bn for AGF and of FFr 7.5bn for GAN.

The evaluations prepared by

The evaluations prepared by Loyrette were on the basis of comparisons with the profit and capital resources of international groups such as Royal Insurance of Britain, Royal

THE SHARP rise in the share price of French insurance groups is provoking fears because they be strong investion that any privatisation of the three main state-owned insurance groups will prove costly and difficult.

During 1935 the shares of assurances Generales de France (AGF), the third largest French group in terms of premiums, rose by 497 per cent. Just under 22 per cent of AGF shares are publicly owned, mainly as a result of shares to employees.

The Sharp rise in the share of French insurance groups in the providing smaller than the state-owned UAP, and the state-owned UAP, and the state-owned UAP, and the state-owned that the providing fitalian group. Among the factors lifting the factors

### Conrad Black in Canadian sale

BY ROBERT GIBBENS IN MONTREAL

national, a Toronto bolding company within the Brascan Group, which is controlled by Peter and Edward Bronfman. Mr Black and two nominees will join the board of Hees Inter-

Mr Black held his controlling Broadcasting interest in Norcen, an oll and recent years.

Volvo quiet on

Fermenta deal

By Our Financial Staff

LAST - MINUTE

ceutical group.

MR CONRAD BLACK, the gas exploration and production Brascan's boldings include assumed control of Loodon's on sales of C\$686m in 1985, Royal Trust, London Life and Daily Telegraph newspaper, is selling his 41 per cent interest in Calgary onergy group Black for C\$137m in notes and Norcen Resources for around C\$300m.

The buyer is Hees Inter
The buyer is Hees Inter
The deal enlargest and and Charles Bronfman, who offer for the rest of Norcen.

The buyer is Hees Inter
The deal enlargest and analysing shareholding in Du Pont, the Life charles group.

### Sabena extends recovery

which public authorities have a there was compensation from 54 per cent stake, continued its the revenue gained by the pro-LAST - MINUTE problems appear to have forced Volvo, recovery last year when it made pre-tax profits of BFr 320m the Swedish diversified group, (\$6.7m) compared with BFr 64.4m in 1984 and BFr 23.4m in 1983. to cancel a planned weekend statement on its \$500m link-up

with Ferments, the biotech-nology group. Company officials were quoted as saying talks between the two companies were continuing in Stockholm. Provisional figures show that the pre-tax profit was reached after the payment of BFr 430m in interest on preference shares Volvo said last week it no longer considered itself bound by a January 8 agreement which would make Fermenta The depreciation charge for which would make Fermenta the 13 months rose to R27.6m Sweden's leading pharma-

#### Otis acquires control of Valmet lifts

h	lunts nr	ivatisatio	n hones	Berrowers	Amount	Metarity	Au, Etc years	Coupen R/s	Price	Book Resner	Offer yield
_				U.S. DOLLARS Gán. Bicidentale T‡ Fabrocot Financial S‡	25 25	1993 2001	.7 15	51/2 7	150	Banque Paribas Krider Pashody	6.508 7.898
	elge and Assiourazioni Gen- ali, tha leading Italian group.		the percentago of shares in a nationalised insurance group	Glendale Fed. S&L &t	* 75	2001	15	744	100	Salomou Brothers	7.750
st-	Among the factors lifting the	the Providence-Seconrs group.	that can be beld by any	SP Capital (b) 1 Sth Australia Gost. Fig. 1	. 196	1994 1993	7	8% 8%	1981/2	Goldman Sacks CSFB	9.836 2.750
	ares of the nationalised oups has been the broad		individual or institution. In fact, the sharp rise in	state Corn. ¶	100	1991	5	(41/2)	180	Monaura int.	•
th ad	vance by the French bourse	the Compagnie de Midi (tha	Insurance shares over the last	Banque Indeser: ‡ Hippen Steel ‡	100	1991 1993	7	BV2	100% 101½	Margan Gostanty Daiwe Europe	8.437 8.785
	nich last year improved by per cent. The insurance	bolding group for Assurances du Groupe de Paris) are		AMOCO CO. I	299 35	2016	38 15	274	100	Morgen Stenley	9.750
es gr	oups, because of their invest-	anxious to control Provi ace	groups had been severely	Contrast Savings St. 21 CMSC of India fel 11	125	2021 1996	15	7	198 199	Benque Paribus CSFB	7.000
	ent boldings, have acted as upward lever in this process		There has been an absence	DNSC of India (c) 11 Not. Beak of Canada (d) 11	150	1996	15 12 7	¥16 ¥2	189	Morpen Stanley .	·=
w Wi	th the average share price	The latest offer from Axa	of takeover blds by foreign	Aron Cap. Corp. 91	125 180	1983 1989	7	83/4 83/4	190%	Morgan Guaranty	8.775 8.883
	the 22 largest groups rising 180 per cent. The bourse	values Providence shares at	institutions in the French insur-	Flatcher Challenge 1	100	1983	7	37/4	100	CSFB	5.758
	s continued to advance this		Commercial Union's purchase of	Hippon Credit Back †	150	1991 1995	10	87/z 87/4	18674	Morgan Stanley CSFB	8.437 8.750
- 118	ar.	were being traded when deal-		Seredan ‡ Atlantic Richfield ‡	200 200	1993	7	BY2	9934	S. G. Warburg	8.175
	The big insurance groups		smaller French insurers, about 18 months ago. Eagle Star has	World Beak ‡ DeBertolo Cap. Corp. ‡	100	2016 1296	36 10	91/4 91/4	190 18634	Deutsche Sk Cap. Mikts. Chemical Bank	9.250 9.132
ne an	so pushed up profits in 1984, itb GAN, for instance.	Officials of the nationalised	recently developed its own			1350	10	874	100-74	Colonia Colon	3.132
o in	creasing net earnings by 47	groups strongly dony reports	French life insurance unit.  French officials are anxious	CANADIAN DOLLARS Auco Fin. Services 1	88	1991		18%	100%	Wood Guedy	19.683
	r cent to FFr 630m. The	on the bounde dist the spectach	to see further rationalisation in	SMAC of Conside 1	100	1991	5	1874	1981/4	Wood Gundy	10,184
	ve continued last year.	lar rise in the shares of the natinalised groups stems, in	the French insurance sector.	Cacadian Nat. R'ways \$	198	1984	. •	9% 10	100 10074	MicLood Young Weir MicLood Young Weir	9,875 8,934
of th	ough results have not yet	part, from buying by state-	They describe it as being primo for a reorganisation—much like	TD Mortgage Corp. ‡		1381		10	18074	· marren 1412ê fêrk	8.3.34
ш	en published.	controlled institutions almed at	the banking sector before the	AUSTRALIAM DOLLARS World Bank 1	75	1991	5 .	14	101	DG-Bank	13.711
	A further factor pushing up- ices has been the expecta-		apoerious of me carry abroad	Contorna Cap.Mitta ‡	49	1991	5	141/2	100%	MP	14,390
	n of privatisation, and in		David Housego	D-MARKS .	<del></del>						
				Australia **1	250	1968	4	514	10814	Deutsche Bank	5.578
•		10 1	Otia accusings	Amstralia 1 World Bank **1	. 560 250	1996 1991	18	544	19074 188	Doutache Bank DG-Bank	5.216 6.000
KI 9	ick in Can	adian sale	Otis acquires	Clayeler Fin. Corp. 1	260	1996	10	674	18014	SHF-Bank	6.716
716	ich in Cal	inuium saic	control of	SWISS FRANCS							
NTREA	i :		the state of the s	Toyo Suisan ** ¶‡	38	1991		21/2	100	Crédit Saisse	2.596
		Presents baldings Include	Valmet lifts	Settse Europe ‡ Augus **\$‡	188 158	2001 1993	-	•	100	Cridit Suisse	5.237 2.808
	s exploration and production oup which earned C\$119.7m	Brascan's boldings include Noranda, Macmillan Bloedel,	By Olli Virtanen in Heisinki	Augon ** Et	150	1963	=	214	100	SBC	2.258
's on	sales of C\$666m in 1985,	Royal Trust, London Life and	OTIS ELEVATORS, the world's	Charter Medical 6	100	2001	-	(71/2)	(10B)	Soditie	
	rough Hollinger. Hees will	John Labatt. Peter and Edward	largest lift manufacturer, bas	Het. Petent Der. Corp. 51 Nat. Petent Ber. Corp. 151	58 25	1225 1236	=	5% 7	109 180	Bas Gutzwäler, K.B. Bas Gutzwäler, K.B.	5.825 7.800
	y the Norcen shares from Mr ack for C\$137m in notes and	Bronfman are cousins of Edgar and Charles Bronfman, who	bought 70 per cent of the lift	Austria I	100	2001	_	5	901/2	SRC	5.048
	common sbares of Hees.	control Seagram, the big distil-	operations of Valmet, the Fin- nish alate-owned engineering	Austria ‡ St. El. Comm. W.Australia ***‡	208 125	2916 1983		5%	100 101	SBC SBC	6.375
	es does not plan a follow-up		group, as a -bridge bead for	Mitabish Brown * 11	150	1921		21/4	100	BBS	4.828 2.250
	er for the rest of Norcen. The deal enlarges the energy	silugle shareholding in Du Pont, the US chemical group.	penetrating the Nordic market.	Exercises		(1998)	- 1	(5Va)		Cridit Suisse	
	erests of the Brascan group		The deal follows several weeks of political toing and fro-	Changelos Elec. Present ** ‡ Bear Steeren †	100 159	1691 1295	_	514	188	Cridit Suisse First Chicago	4.942 5.250
	mificantly, and reduces the	At the same time Peter and Edward Bronfman are going	ing in Finland between the US	C'weelth Bk Australia ***	100	1991	=	474	198%	SEC	4.607
	nadian holdings of Mr Black. has disposed of blg sbare-	ahead with the sale of their	company and Kone, the rival	FAI Financial Sec.	286	1955		(534)	(100)	Seditic	
r- ho	ldings in Massey Ferguson,	100 per cent interest in Cana-	Finnish lift group. The price	ECtie							
	minion Stores and Standard	dian Hunter Exploration, an oil	of the deal is estimated to be about FM 100m (\$19m). The	hen lat.	79	1994		91/2	180%	Banque Paribes	9.431
	oadcasting Corporation in cent years.	and gas producer, beld through Noranda.	turnover of Valmet's lift opera-	Trizac Carp. ‡	32	1995	10	\$1/4	100	Société Ginérale	9.250
4 12			tions is FM 19m.	STERLING		1001		4054	40004	Marrie Consta	40 500
			Valmet's board of directors made the decision over the week-	Not. & Previous R. Sec. (a)††	200	1991 1926	18	1/2	109	Goldman Sacks	19.558
	<b>Sabena exten</b>	ME POCOVOTY	end despite an improved last-	MERCT	50 .	1993	7	111/4	180	Morgan Granfell	11.250
			minute bid by Kone, after the	Miles Fin. ‡	59	1953		18%	100	Baring Brethers	18.625
	Y PAUL CHEESERIGHT IN BRU		foreign investment cleared the	FRENCH FRANCS				•••			-
SA	BENA, the Belgian airline in	results were under budget. But	way for an offer by Otis. Kone	World Bank ‡.	200	1996	10	974	108%	Credit Agricole	9.530
- 54	per cent stake, continued its	there was compensation from the revenue gained by the pro-	apparently offered a bigher	BELSIAN FRANCS  WIT (Linconborg) ""	200	4004				BIP (Leonabourg)	9.968
o. rec	overy last year when it made	vision of technical services,	cash value than Otis, Mr Mattl Kankaanpää, presi-		398	1951		-	100	ne irramondi	4.000
	-tax profits of BFr 320m	A small profit has now been	dent of Valmet, said that the	LUXENBOURG FRANCS	300	1992			188	Banque Paribas (Loc.)	9.000
	5.7m) compared with 'r 64.4m in 1984 and	made for three consecutive	Otis offer was better on three	City of Bothesburg **‡ Mo Och Descrip **‡	308	1991	i	2Vz	100	Bit.	9.125
	r 23.4m in 1983.	years, after more than two decades of losses.	main points. It guarantees the long-term future for the lift	CHAIL THERS							
8 1	Provisional figures show that	Final figures, when an-	plant, it offers Valmet a sub-	World Bank **	100	1991	5	\$V4	9974	Rebobasik Hederland	5.310
	pre-tax profit was reached	nounced, should show a reduc-	stantial role as a minority	YE							
	er the payment of BFr 430m interest on preference shares	tion in debt. At the end of	shareholder and it supports the	World Benk **	She	1993	7	6.3	99.8	Norinelakin Bank	5,436
		1984 total debt of longer than a year's duration plus provision	group's plans for international expansion.	critc ‡	49ba	1996	16	6.3	99.7	Baine Secs.	8.441
d cor	struction in 1982,	for risks stood at BFr 14.1bn.	Valmet is involved in a	Knoweski Steel (n)‡ Donmerk I	10kg	1996 1996	10	71/2 53/s	101 1001/2	Notatra lui. Daissa Europe	7.365 6.386
		A debt reduction would be im-	number of negotiations with					<del></del>			
		portant if the Belgian authori- ties decide to privatise part of	Otis' sister companies. Otis is part of the United Technologies	"Mut yet priced, \$ Final terms. "" P 6 Deal currency. (a) Ye over 3m Life							
	n in 1984, the operating		group.	pos perjetile la ISS. (1) 1/4 aver Ser	Liber, Note:	Yields nep cal	printed on	ALBO basis.	107 712 14	m a m remove fol an early and t	tol one-
			11					. 7			

**NEW INTERNATIONAL BOND ISSUES** 

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

**NEW ISSUE** 

20th February, 1986



#### Canada

Yen 80,000,000,000 61/8% Bearer Bonds of 1986 due 1991

Issue Price: 100¾%

**Nomura International Limited** 

**Daiwa Europe Limited** 

Mitsubishi Trust & Banking Corporation (Europe) S.A.

Mitsui Finance International Limited

**Bank of Tokyo International Limited Credit Suisse First Boston Limited Deutsche Bank Capital Markets Limited** LTCB International Limited Morgan Guaranty Ltd The Nikko Securities Co., (Europe) Ltd. Salomon Brothers International Limited Union Bank of Switzerland (Securities) Limited Wood Gundy Inc.

Algemene Bank Nederland N.V. **CIBC** Limited **Dominion Securities Pitfield Limited** McLeod Young Weir International Limited

Citicorp Investment Bank Dai-Ichi Kangyo International Limited IBJ International Limited Merrill Lynch Capital Markets Morgan Stanley International Orion Royal Bank Limited Swiss Bank Corporation International Limited S. G. Warburg & Co. Lid. Yamaichi International (Europe) Limited

> Banque Nationale de Paris County Bank Limited Generale Bank Mitsui Trust Bank (Europe) S.A.

Yasuda Trust Europe Limited



#### KOREA EXCHANGE BANK

U.S. \$100,000,000

Floating Rate Notes Due 2000

MOBGAN GUARANTY LTD

BANKAMERICA CAPITAL MARKETS GROUP

ALGEMENE BANK NEDERLAND N.V.

CHEMICAL BANK INTERNATIONAL GROUP

DAI-ICHI KANGYO FINANCE (HONG KONG) LIMITED DAIWA OVERSEAS FINANCE LTD.

FUJI INTERNATIONAL FINANCE (HK) LIMITED

IBJ ASIA LIMITED

KYOWA FINANCE (HONO KONG) LIMITED

LTCB ASIA LIMITED

MERRILL LYNCH CAPITAL MARKETS

NATIONAL AUSTRALIA FINANCE (ASIA) LIMITED

SAITAMA INTERNATIONAL (HONG KONG) LIMITED SHEARSON LEHMAN BROTHERS INTERNATIONAL

SWISS BANK CORPOBATION INTERNATIONAL LIMITED

TAKUGIN INTERNATIONAL (ASIA) LTD.

YASUDA TRUST AND FINANCE (HK) LTD.

BOT INTERNATIONAL (H.K.) LIMITED

CREDIT SUISSE FIRST BOSTON LIMITED

GOLDMAN SACHS INTERNATIONAL CORP.

LLOYDS BANK INTERNATIONAL LIMITED

MORGAN STANLEY INTERNATIONAL

SUMITOMO FINANCE INTERNATIONAL

WESTPAC FINANCE ASIA LIMITED

SAUDI INTERNATIONAL BANK

FIRST CHICAGO ASIA MERCHANT BANK LTD.

KIDDER, PEABODY INTERNATIONAL LIMITED

MANUFACTURERS HANOVER ASIA LIMITED

NIPPON CREDIT INTERNATIONAL (HK) LFD.

TAIYO KOBE FINANCE HONGKONG LIMITEO

CHASE INVESTMENT BANK

DAIWA EUROPE LIMITED

10 F.P. 6/3 190 118 Kisarfold Inc. \$1.0 L. 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 | 118 |

FIXED INTEREST STOCKS

RIGHTS OFFERS

u2.08 2.8 1.791.1

**EQUITIES** 

### Charles Batchelor looks at Myson's £42m purchase from Thorn EMI

### Coming in from the cold

Myson Group's purchase of made a profit of £6.1m in the Thorn-EMI's heating division year ended March, 1985, on its sets the seal on the remarkable much larger turnover.

The Thorn-EMI deal announced on Friday — will double the size of Myson in terms of turnover and workforce and create a powerful new force in the £640m UK contral heating equipmont market.

It will also take Myson into fields such as water heaters and gas fires where it has no previous experience and where it will face tough competition from well-established groups.

With a shared wry sense of humbour which must have enlivened the all-night negotiating sessions needed to clinch the deal, thoy dismiss and grand vision of Myson's future. "Wa're grafters," says Wheeler. "Wo're not creative like the BTRs of this world. You can make money out

#### **Ambitious**

There is no denying that the purchase of TEH for £42.1m in shares and cash is ambitious for Myson which has a market capitalisation of just £43.5m and turnover, in 1984, of £55m.

It is at the pre-tax level, bow-ever, that the figures move strongly in Myson's favour and explain Thorn EM's willingness to dispose of a business which was, anyway, periphoral to its electronics and leisure scrivities. Myson made a pre-tax profit of £5.1m in 1984, despite the imposition of VAT on bome improvements balf way through the year and cuts in housing grants. TEH

While Myson maintained practically unchanged profits of £2.27m in the first half of 1985, from £2.85m in its first half. Myson estimates its profits rose

12 per cent to £5.8m in 1985 while TEH expects to make just £4.2m in the year ending in March,

The purchase of TEH will strengthen Myson's position in three major sectors of the cen-tral heating equipment market and take it into two new heating

from well-established groups.

Mr Ray Wheeler, Myson chairman and chief executive, and Mr John Salkeid, finance director, believe the problems of Thorn EMI Hoating (TEH) are no greater than those they have faced at Myson.

With a shared wry sense of humbour which must have anlivened the all-night negotiat-

enlivened the all-night negotisting sessions needed to clinch the deal, thoy dismiss and grand vision of Myson's future. "Wa're grafters," says Wheeler. "Wo're not creative like the BTRs of this world. You can make money out of anything if you work at it."

Myson has a very small stake in of only 1.5 per cent in the £170m hoiler market. TEH will take it to ahout 20 per cent — on a par with groups such as Potterton (part of Birmid Qualcast), TI-Glow-worm, Steirad and Richard Baxendale. Even and Alchard Bazendale. Even more important TEH will take Myson into the dominant gas-fired hoiler market. It currently makes only oil-fired boilers.

TEH will double Myson's 17 per cent stake in the £25m heating pump market dominated by Grunfoss, a Danish group. TEH is nearly twice Myson's size in terms of sales—£92m in the year ended March, 1985—and employs 2,300 people compared with fower than 1,800 at Myson.

It is at the pre-tax level, bowever, that the figures move strongly in Myson's favour and applies to its cookers.

Myson has been attempting to reach agreement with Thorn for ovor a year but the first round of talks broke down over price. The recent sharp drop in TEH's profits made Thorn more willing to reach an agreement, Myson believes. Myson is paying £18.3m cash

All these securities having been sold, this announcement appears as a matter of record only.

**DSL** Bank

Deutsche Siedlungs- und

Landesrentenbank

(Incorporated as a public credit institution in the Federal Republic of Germany)

A\$55,000,000

141/4 per cent. Notes Due 1991

Issue Price 100½ per cent.

J. Henry Schroder Wagg & Co. Limited.

Commerzbank International S.A. Compagnie Luxembourgeoise de la Dresdner Bank AG

Yamaichi International (Europe) Limited

—Dresdner Bank International—

Bayerische Landesbank International S.A.

Vereins-und Westbank Internationale S.A.

Goldman Sachs International Corp.

Nomura International Limited

**Chase Investment Bank** 

**Daiwa Europe Limited** 

Rabobank Nederland



executive of Myson Group, and John Salkeld, finance director, plan to get the wheels moving faster et Thorn EMI Heating

and £23.8m in shares for TEH in e deal which will leave Thorn with 22 per cent of Myson's enlarged equity.

Wheeler and Salkeld, both former executives with GEC, the electronics group, have brought Myson 2 long way since they moved into the boardroom in July 1981 with the backing of e

Myson's shares were trading at Myson's shares were trading at around 10p at that time, putting a market value of just £3.8m on the company and it had about £20m worth of dabts. The shares firmed 5p on Friday to 86p in response to naws of the deal.

Wheeler and Salkeld believe TEH has suffered from being a low-tochnology division of a company which was committed to high technology and leisure

products. It was consequently starved of cash.

TEH is organised on remarkably similar lines to Myson when the new management took over. Saikeld describes it thus:

"The manufacturing people fixed production schodules. The sales people fixed their budgets — which were always too optimistic. The result was that stock piled up, products had to be sold off at reduced margins and then production had to be cut back, it was either feast or famine."

At Myson Wheeler and Salkeld At Myson Wheeler and Salkeld have placed individual managing directors in charge of all aspects of their husinesses, from manfacturing schedules to pricing. If demand falls off a manager can rapidly decide to cut hack production.

#### Discipline

The two men have imposed tight financial discipline and also concentrated on improving the quality and reliability of its products.

Warranty claims were costing 5 per cent of profits when they came in. This figure has been reduced to about 1 per cent.

While turnover has barely changed over the past fivo years — it rose from £53m in 1980 to £55m in 1984 — the pre-tax position has gone from losses of £3.4m and £7.1m in 1980 and 1981, to a profit o £5.8m in 1985. Wheeler and Salkeld now intend to spply the Myson formula to TEH. They will be doing so in e tough and static market. Central hesting is now installed in most British bomes that can afford it so Myson will be fighting for a larger stake of the replacement business.

Not that the company misses its chances. Lord Catto, chairman of Morgan Grenfell, Myson's advisers on the deal, has been baving trouble with his central beating pump. Wheeler took time off from explaining his trategal and the statement of the company of the statement of the sta strategy last Friday to make the pump was being fixed.

### **McKechnie** urges its holders to vote Tonks

Tonks at its Edm on Friday.

The Williams bid, launched earlier this month, is conditional on the failure of the McKechnio merger with Tonks, and hence Friday's vote will signal shareholders' attitude towards Williams.

The circular contains. The circular contains a strongly - worded attack on Williams, stating that "its principal businesses have been hastily assembled in the last three years. The group

Dr Jim Butler, McKechnie's posed hid would dirute earn-ings by 21 per cent, and assets by 20 per cent. He describes the offer, which is for shares, as "derisory" and says that "Williams shares stand on a brittle foundation of hope."

#### Martin Ford

Martin Ford, the ladies' wear retailer, has received several bid or merger approaches since announcing

approaches since announcing earlier this mouth it would pass its 1985 dividend, the board said yesterday.

Singer & Friedlander, the merchant bank, has been asked in evaluate these approaches. The Ford family

### By Lucy Kellaway McKechnie Brothers, the

metals and plastics group which is fending off an un-warded £140m bid from Williams Holdings, has sent a letter to its shareholders urging them in vote in favour of its merger with Newman Tonks at its EGM on Friday.

as now constituted has, for practical purposes, no record and no discernible business plan."

chairman, says that the pro-posed bid would dilute earn-

#### receives approaches

and trusts own 56 per cent of the company. The shares rose 4p to 99p on Friday.

### Guinness claims little difference in production

GUINNESS, which is trying to svoid a second referral to the Monopolies and Mergers Commission with its latest £2.55nn bid for Distillers, released e statement over the weekend claiming that in terms of whisky production, very little separates the Guinness hid from the rival bid from the Argyl, whose bid has obtained MMC clearance, claimed last week that Guinness/Distillors domination of whisky production. Which was little altered under the terms of the new bld, would continos to make another referral likely.

Guinness claims that the difference between ownership of production between the two rival bids is only 2.3 per cent. Furthermore, it argues that because of overcapacity in the market, ownership is not relevant. The company also notes that as 90 per cent of Distillers production is sold abroad, the week that Guinness/Distillors domination of whisky production is sold abroad, the week that Guinness/Distillors domination of whisky production in the UK market.

Lornex boost for RTZ

# Rio Tinto-Zinc shares have risen 34p since last Thursday to 594p Friday night, on better than expected results from two of the UK-based group's overseas producers of base metals. The market was especially rate benefits of a stronger US pleased by the Canadian molybdenum and copper-producing Lornex Mining which announced a 1985 net profit of C524.14m (£12m), or C\$2.92 per shere, compared with a loss of C\$3.26m in 1984. Lornex, which earned C\$6.47m

#### United Glass

United Glass

A STRONG performance by its glass containor division, which saw traing profits improve from £8.76m to £12.16m, helped United Glass Holdings' pre-tax profits rise by 29 per cent in the year to the end of November, 1985.

The division's turnover improved from £118.58m to £126.29m out of a total of £193.77m (£181.95m), np by 6 per cent, but directors say there was no material chango in volume.

After redundancy and other redonalisation costs of £1.02m (£365,000) and intorest charges of £2.88m (£3.59m), the pre-tax profits fell from £1.8m to £1.66m, down by 8 per cent from £25.25m to £28.9m, pre-tax profits fell from £1.8m to £1.66m, down by 8 per cent from £25.25m to £28.9m, pre-tax profits fell from £1.8m to £1.66m, down by 8 per cent from £25.25m to £28.9m, pre-tax profits fell from £1.8m to £1.66m, down by 8 per cent from £25.25m to £28.9m, pre-tax profits fell from £1.8m to £1.66m, down by 8 per cent from £25.25m to £28.9m, pre-tax profits fell from £1.8m to £1.66m, down by 8 per cent from £25.25m to £28.9m, pre-tax profits fell from £1.8m to £1.66m, down by 8 per cent from £25.25m to £28.9m, pre-tax profits fell from £1.8m to £1.66m, down by 8 per cent from £25.25m to £28.9m, pre-tax profits fell from £1.8m to £1.66m, down by 8 per cent from £25.25m to £28.9m, pre-tax profits fell from £1.8m to £1.66m, down by 8 per cent from £25.25m to £28.9m, pre-tax profits fell from £1.8m to £1.66m, down by 8 per cent from £25.25m to £28.9m to £28.9m, pre-tax profits fell from £1.8m to £1.66m, down by 8 per cent from £25.25m to £28.9m to

Don Bros, Buist

#### **BOARD MEETINGS**

TODAY Interim: Murray Incores Trust.	Meinmet	
Finals: 8, and W. Barisford, Alfred	AMR Industries	M
McAlpias, Merley, Murray laternaticaal	Smime (T. F. and J. H.)	M
Trust, Vickars.	aront Chemicain Intril.	N
	British Vasding ladustries	F
FUTURE DATES	Gosi Petroleum	
Interime—	Jebseze Orilling	B
Qunton Mnr 14	Olives Paper Mill	F

TODAY Interim: Murray Incores Trust.	SelecTV	
Finals: 8, and W. Barisford, Alfred	AMR Industries	Me
IcAlpiaa, Merley, Murray laternaticaal	8raime (T. F. ead J. H.)	Mar
rust, Vickars.	aront Chemicain Intri-	Mn
THE PARTY	British Vasding ladustries	Feb
FUTURE DATES	Gosi Petroleum	Mn
Interime—	Jebsese Orilling	Feb
unton Mnr 14	Olives Paper Mill	Fob
Iteraurope Technalogy Seraices Feb 28	River Plate & General Inv. Tet.	Fab

## Kingdom of Spain

Floating Rate Notes Due 2005 Holders of Notes of the above issue are hereby notified that for the sixth Interest Sub-period from 24th February, 1988 to 20th March, 1986, the following will apply:

- 1. Interest Payment Date: 20th March, 1986 2. Rate of Interest 8% per annum
- for Sub-period: 3. Interest Amount payable
- for Sub-period:
- - per US\$ 10,000 nominal US\$ 1,333.33 per US\$ 250,000 nominal
- 4. Accumulated Interest Amount payable:
- US\$ 413.06 per US\$ 10,000 nominal US\$ 10,326.82 per US\$ 250,000 nominal
- Next Interest Sub-period will be from 20th March, 1986 to 21st April, 1986.

Bank of America International Limited

Renunciadon data usually last day for deading free of statup duty. A Figures based on prospectus estimates. O Assumed dividend end yield. F Forecast dividend cover on namings updated by intest interim extenset. H Dividend and Yield based on prospectus or other official estimates for 1986. R Forecast nacualless dividend, cover end p/a mitch based on prospectus or other official astimates. I ladicated dividends; cover relates to previous dividend; p/a ratio based on latest satual earnlage. I Personat, or entimated animalised dividend reta, cover based on previous year's earnings. I leaged by tender. I Ottaved holders of ardinary shares as e "rights." "I saued by way of capitalisation. S Fincing price. S Reintroduced. 'Il saued in connection with reorganisation, merger or takeover. M Allotment price. M United securities marker, 37 Deats in under Rule 535 (4) (a). If Unite comprising two ordinary, one preference and one warrant. I Unite comprising one New ordinary and one 6.5 per cent Cnv.Red.Prf.

#### PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus") have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column beaded "Announcement last year."

Angig American
Gold, Mar 7
BAY Industs Mar 27
BBA Mer 16
BICC Mar 26
BISR Mar 4
BTR Mer 5
Barcleys 5k Mar 6
Beboock Intl Mar 27 Bonar.....Mor 28 Interim 2.6
\*McAlpina (A.) Feb 24 Final 7.5
\*Mariey .......Feb 24 Final 2.35 Closures.....Mar 27 Final 4.5 \*Midlead Bask...Mar 5 Final 14.5 ezzer (C. H.).....Mar 25 Interim 4.0 ejam ......Mar 13 Interira 1.76 Transport...Mar 27 Final 3.36 Paterson
Zochosia...Mar 19
P & O ........Mar 28
Philips Larapa...Mar 7
Provident
Flassciel...Mar 5
Prudential ......Mar 3
\*Ransaraes Sima
nad Jefferies...Mar 10
Esckitt sad Arrow...Mar 27 Final 1.4 Acrospecs...Mar 25 Fisal 8.4 Aerospece...Mar 28
Sritoli .......Mar 21
Srown Boveri Kent...Mar 27
Bunzi .......Mar 27
Bunzi .......Mar 27
Bunzi .......Mar 27
Codhury ......Mar 27
Codhury .......Mar 27 Surton Mar 27
Codbury
Schweppes...Mar 7
Capital and
Countes...Feb 25
Colline (W.) ...Mar 12
Combined Eng
Stores...Mar 25
Cone Gold ....Mar 3
Cone Gold ....Mar 6
Cone Gold ....Mar 7
Cone

nad Jefferles...Mer 10 Final 14.0
Reckitt aad
Colman...Mer 28 Final 8.8
Rockwaro .....Mer 21 Final ail 

OIL Mar 25 Final 6.0 Exco Ind ......Mar 25 Final 4.75 ......Mar 4 Final 2.7

Hepworth
Caramic...Mar 22 Final 4.0
Hickson Intl ...Mar 25 Final 10.0
Homp Charm ...Mar 25 Fiaal 1.75
Hong Kong and
Shanghei 8kg...Mar 11 Ficel 50.31

Granville & Co. Limited and Investment Managers

Record Lane London ECSR 8BP Telephone 01-621 1212 Over-the-Counter Market

Capitalisate	•		Ob			P/1	
£0007 n	Comceny	D.1-	Change	GIDES	Yield		FυΠy
4,296	Ass. 8rt. lad. Ord	PTICE	on week	div.(p	) %	Actual	taxed
7,200	Ass. Olic lat. Old	1,40	_	7,3	6.8	7.7	7.2
4,052	Asa. Srit. Ind. CULS	131	_	10.0	7.6	. =	
	Airsprung Group	70	_	0.4	6.1	11.7	15.2
250	Armitaga and Rhodes	33	_	4.3	13.0	4.1	4.9
54,597	Bardon Hill	170		4.0	2.4	21.6	22.4
3,138	Bray Techaologies	57	_	3.9	8.8	7.0	8.0
483	CCL ORDINARY	138	_	12.0	8.7		
1,238	CCL 11pc Conv. Pret	99	_	16.7		3.4	3.2
8,099	Carborundura Ord	135	=		15.9		
637	Carborusdum 7.5oc Pr	91		4.8	3.8	5.7	10.6
4,461	Deborah Baraicae			10.7	11.8	_	
3,034	Frederick Parker	57x	<b>1</b> — 1	7.0	13.3	6.9	7.8
1.718		21	_	_	_	-	
2,680	Ind Provider Cont	93	_	<del></del>	_	3.8	5.9
12,980	Ind. Precision Castings	66	+ 1	3.0	4.5	17.4	14.6
	lele Group	163	_	18.0	9.2	12.8	18.7
6,144	Jackson Group	118	- 1	8.5	4.7	7.8	7.9
45,671	James Burmuch .	327	+ 9	16.0	4.7	10.3	
3,212	James Surrough See Pf	82.	a '	12.9	14.2		10.3
6,689	John Howard and Co.	64	~ _				
29,112	Minibouse Holding NV	890		5.0	7.6	5.1	. a.o
714	Robert Jaskins		-20	8.8	0.8	38.3	36.9
1,200	Company 'Harr	70	_	_	_	8.1	20.0
1,684	Tarday end Cartiela	30	_	_	_	_	7.7
1,473	Travian Haldings	69		6.0	7.2	3.6	. 8.3
7.538	Hallant Haldingn	325	_	4.3	1.3	18.5	18.2
17,308	Uallock Holdiage	48	+ 3	2.1 .	4,4	13.0	12.8
	Welter Alexander	135	+ 3	8.8	6.4	7.6	9.3
4,668	W. S. Yestes	200		17,4	8.7		9,6
			_		9.7	6.7	2.0

February 1986

**CIBC Limited** 

DG Bank International Société Anonyme

Swiss Volksbank

Orion Royal Bank Limited

### FINANCIAL TIMES STOCK INDICES

Banque Bruxelles Lambert S.A.

McCaughan Dyson & Co. Limited

**BHF-BANK International S.A.** 

	Feb. 21	Feb. 20	Feb. 12	Feb.	Feb.	Feb.	196 High	5:86 Low	elace Co High	mpliation Low
Government Secs.	84,14	88,73	84.00	83,52	63.00	92,58	84,57	78,02	127.4	49.15
Fixed Interest	88.96	88,98	88,25	88.58	88,05	07,75	90,38	82,17	150,4	50,63
Ordinary	1556.0	1233.2	1235,1	1234.3	1220,7	1218,8	1956,0	211.0	1258.0	49.4
Gold Mines	\$32,7	324.8	325,3	317.5	820.4	317,1	536.9	237.2	734.7	43.5
FT-Act All, Shara	737.54	726.85	786.46	725,49	717.97	719.01	757.54	581,68	767,54	51.92
FT-SE100	1518.0	1491.1	1491,4	1491.2	1475,3	1477.9	1518,0	1206,1	1518.0	935.0

LADBROKE INDEX 1,249-1,253 (+15) Based on FT Index Tel: 01-427 4411

#### INTERNATIONAL APPOINTMENTS

### Subaru of America lifts top management gear

BY WILLIAM HALL IN NEW YORK

SUBARU OF AMERICA, a Wall automobile import company in SUBARU OF ARLERICA, a Wall automobile import company in the Street glamour stock because of the US and is seen by Wall the successful US invasion Street as one of the few pure mounted through its Japanese built cars, has announced a the success of Japanese vehicles major reshuffle of its top management amid growing Jersey-based company, which is speculation that Subaru may soon start building cars in the US.

W. Therese P. Change and the US and is seen by Wall the US and is seen by Wall was investment plays to be made on in the US market. The New in the US market. The New in the US market and of the few pure investment plays to be made on in the US market. The New in the US market are in the US market. The New in the US and is seen by Wall the US and is seen by Wall

Mr Thomas R. Gibson, aged
43, who left Chrysler Corporation in 1981 to join tha group, has been appointed president

The group's success in recent has been appointed president and chief operating officer, and Mr Marvin S. Riesenbach has been promoted to chief financial

have grown at a compound annual rate of 51 per cent over tha last decade, has elected six new group vice presidents as part of a management reorganisation which Mr Lamm says will prepare the company "For the next decade of continued growth

years has been measured by a premier stock market rating. Last year, the group earned \$77m on revenues of \$1.5bn and been promoted to chief financial officer. Mr Gibson is taking over as president from Mr Harvey Lamm, 50, one of the founders of Subaru and its chairman and chief executive.

Subaru, earnings of which have grown at a compound to stock market at \$1.2bn.

\$77m on revenues of \$1.5bn and reported a \$9 per cent return on shareholders funds. Ten thave to bave been investigating the possibility of building ears outside Japan in partnership with another car maker. Volkstein trading above \$200 which capitalises the company on the pany which produces its own cars at a plant in New Stanton,

Subaru is the only American-operated and publicly-owned Subaru also faces an added of the year.

could be limited by any further curbs on Japanese car imports into the US market.

Several of the hig Japanese car makers have begun producing cars in the US to circumvent the import harriers but Subaru, which only accounts for 6 per cent of all Japanese exports to the US, is a relatively small company and does not have the sorts of economies of scala in the US which would justify the construction of its own plant.

stock market at \$1.2bn.

The group has over 50 per cent of the expanding four-wheel drive passenger car martined as a possible partner. tent reorgani- ket in the US, but is beginning . Snbaru officials refuse to disto face increasing competition cuss the possibilities the com-from companies like Mercedes pany is considering but confirm Benz and BMW, of Germany, that the company hs talked to which plan to enter this specia- "virtually everybody." A deci-

#### Key post at **BMW** goes to youth By John Davies in Frankfurt

BMW, the West German car and motorcycle maker, has appointed Mr Wolfgang Reitzle as a member of the management board. He is, at the age of 36, one of the youngest men in a senior position in the motor vehicle position industry.

Mr Reitzle has been in charge of development work at BMW since May last year.

His career has advanced rapidly since he joined BMW in 1976 after studies and scientific work at the Technical University in Munich.

The company is known to Mr Reitzle's rise to prominence has taken place as Mr Eber-hard von Kuenheim, BMW's chief executive, has sought to give new impetus to technical research and innovation at the company.

BMW bas been stepping up development and marketing efforts in the face of intense competition, particularly from Daimler-Benz. Mr von Kuenheim said recently that BMW would bring a "completely new car" to the market this year, and then something basically new each year into the 1990s.

#### Capital Cities creates

treasury post By Our New York Staff

MR DAVID VONDRAK has been appointed to the new position of treasurer of Capital Cities/ABC, and will be responsible for the overall corporate treasury operations and insurance functions of the US media giant. Mr Vondrak was treasurer of

American Broadcasting Com-panies (ABC) prior to the \$3.5bn takeover by Capital Cities which was completed early last month. He has been involved in ABC's treasury operations since joining the group in 1978 from the Teacher's Insurance and Annuity Association, where he was assistant to the treasurer. Mr Vondrak will report to Mr Ronald J. Doerfler, senior vice president and chief Cities/ABC.

Bank of Montreal MR KEITH DORRICOTT has assumed the new post at the Bank of Montreal of executiva vice president and chief finan-cial officer. He was previously senior vice president and chief

HUGHES AIRCRAFT, the California electronics, aerotaken over last year by General Motors in a \$5bn deal, has appointed Mr David M. Snyder vice president, inter-national and a member of its policy board. He succeeds Mr George E. Todd, who has

Mr Snyder will be responsible for directing overseas operations in more than 50 countries, including 16 offices

AMERICAN EXPRESS
BANK, international banking
arm of American Express
Company, has elected MrRobert S. Mason executive
vice president to serve as
area executive for the UK,
the Middle East and Africa.

EADS

In New York, Mr Alden L.

**New chief for Searle** 

MONSANTO, the St Louis-based chemicals group, has elected Mr Sheldon G. Gilmore president and chief executive of G. D. Searle and Company, the Californian pharmaceuticals concern taken over last year for was appointed president in was appointed president in September, following the resig-

Mr Gilmore was previously president of Pfizer Pharmaceuticals, the offshoot of Pfizer Inc.

September, following the resignation of Mr Myron du Bain.

Mr Sloan bas been executive cals, the offshoot of Pfizer Inc. the diversified US health care

Mr John Robson, who was chief executive at Searle before its acquisition by Monsanto, had agreed to stay on until January 31.

AMFAC, the diversified US distribution and food processing concern, has elected Mr Ronald R. Sloan president and chief the subsidiary,

appointed senior vice president, land and forest resources of

Chairman of Mobil Oil Germany

vice president since that time.

MR W. LEE NUTTER bas been

elected senior vice president, operations of ITT Rayonier, the first products subsidiary of ITT Corporation, the diversified US

elecommunications concern.

Mr William S. Berry has been

MOBIL, OIL AG, the wholly owned German subsidiary of Mobil Oil of the US, has appointed Mr Herbert Detharding managing board chairman. Mr Detharding, who was deputy chairman, replaces Mr Herbert Lewinsky who was this month appointed director general of Voest-Alpine, the

UK APPOINTMENTS

### **Molins deputy** chairmanship

Dr A. Frankel, who has additional responsibility for accepted an invitation to become deputy chairman of MOLINS, has been a non-executive member of the board since 1980.

Mr Christopher Smith has been appointed to the main board. Mr Smith joined Molins in 1978 and will continue in his dual role as the company secretary and consisting.

Mr Guy MacPherson has been appointed to the main board. Mr Guy MacPherson has been appointed to the main board. Mr Guy MacPherson has been appointed to the main board. Mr Guy MacPherson has been appointed to the main board. Mr Guy MacPherson has been appointed to the main board of the company secretary and consisting the content of the conte company secretary and contracts director.

Mrs Flona Laing has been appointed a director of NOBLE GROSSART, a Scottish merchant bank. She has a corporate finance responsibility in the Lon-

Mr Stephen Mili has been appointed managing director, overseas non-marine division and a director of the overseas management and marketing divi-sion of BAIN DAWES. Mr Angus sion of BAIN DAWES. Mr Angus
Cleaver has been appointed a
director of the overseas nonmarine division and will retain
his directorship of the contractors and professional liability
division. Bain Dawes Financial
Services has appointed Mr
Stephen D. Jacobson as an associata director and London
acutary of the company. He was
an actuary and consultant with
the London office of the Wyatt
Company.

Chap taking in student could be leading up to a hitch (5)
 Animal to work very large amount (7)

Mr J. R. Sclater has been appointed a director of F & C ENTERPRISE TRUST. He will succeed Mr Quinton Bazell as chairman when the latter settres after the annual meeting.

Mr Charles Donovan has heen re-appointed as a full-time member of the BRITISH GAS CORPORATION for three years from March 1. He is managing director (personnel).

4 Thing to express disapproval about (6)

9 and 8 It's not much later for hands to wave, etc., etc. (2, 2, 3, 2, 5)

11 Pet that could settle on the carpet? (7, 3)

12 Complain about the food (4)

13 Carboon character, I am confused with books (5)

14 Hairy set, crazy, given to sort of madness (8)

16 Antiseptic—almost a bottle for tailless insects (8)

18 Excess drinking is being silly (S)

19 Travel across snow with time for a little entertainment (4)

21 Previn's note discordant?

Won't let it happen! (10)

22 Bearing a title (7)

3 Wind up in real description of insurance work? (9)

5 You get some gain from well worn boots (5)

6 Well-spoken nob leads some to get a higher rank (7)

5 Spike holds in annoyance, showing colour (9)

9 Variable choice over elue to a certain sport (3-6)

13 A mineral could be on the cards (9)

14 Under obligation to the opposite of 4? (9)

15 Crazy people gathering in May? (7)

21 I hope tale is partly taken from a flower (5)

16 Well-spoken nob leads some to get a higher rank (7)

17 Diverse of the country of insurance work? (9)

5 You get some gain from well worn boots (5)

6 Well-spoken nob leads some to get a higher rank (7)

9 Under obligation to the cards (9)

10 Crazy people gathering in May? (7)

21 I hope tale is partly taken from a flower (5)

22 It's about some dancing, readily to hand (2, 3) readily to hand (2, 3)
The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

Mr Guy MacPherson has been appointed a director of THE GOLDSMITHS GROUP. He is managing director of the Heritage Hotels division of the

Mr F. A. Moody, financial director of ANGLO NORDIC HLDINGS, has resigned his directorship. Br T. D. Wall, commercial director, will assume overall control of the group's financial affairs. Mr Fritz Toft Rasmussen has resigned as a non-executive director on retirg ing from F. L. Smidth & Co A/S. Mr Jens Minter, a director of F. L. Smidth & Co A/S, has been appointed a non-executive director in his place.

division. Bein Dawes Financial
Services has appointed Mr
Stephen B. Jacobson as an associata director and London
acutary of the company. He was
an actuary and consultant with
the London office of the Wyatt
Company.

Mr Panl Ross has been
appointed, from April 1, procurement and distribution direcof ATHENA INTERNATIONAL
a wholly-owned subsidiary of
Pentos. He joins from Atlas
Lace Paper Company, where he
was production director.

Mr David M. Wood has been
appointed managing director of
TR OIL SERVILES, succeeding
Mr Bob Fleming, who has
returned home to the US. Mr
Wood was with Magnachem as
general manager or its subsidiary Baker Uil Treating. Mr
Flammang has taken up a senior
appointment in product and
market development with Unichem Internanonal Inc in the
oil services group of Simon
Engineering. TR Oil Services is
a joint venture hetween Simon
Engineering and Hoechst AG.

Mr David M. Wood has been
appointed managing director of
TR OIL SERVILES, succeeding
Mr Bob Fleming, who has
returned home to the US. Mr
General manager or its subsidiary Baker Uil Treating. Mr
Flammang has taken up a senior
appointed managing director of
TR OIL SERVILES, succeeding
Mr Bob Fleming, who has
returned home to the US. Mr
General manager or its subsidiary Baker Uil Treating. Mr
Flammang has taken up a senior
appointed managing director of
TR OIL SERVILES, succeeding
Mr Bob Fleming, who has
returned home to the US. Mr
Flammang has taken up a senior
appointed managing director of
TR OIL SERVILES, succeeding
Mr Bob Fleming, who has
returned home to the US. Mr
Flammang has taken up a senior
appointed managing director of
TR OIL SERVILES, succeeding
Mr Bob Fleming, who has
returned home to the US. Mr
Flammang has taken up a senior
appointed managing director of
the OIL SERVILES, succeeding
Mr Bob Fleming, who has
returned home to the US. Mr
Flammang has taken up a senior
appointed managing director.

Mr A. F. Noyes has been appointed deputy chairman of HARRISON HORNCASTLE HOLDINGS.

Mr Jim Cameron has been appointed managing director of REXEL ENGINEERING. He was director/general manager.

Mr A. F. Noyes has been appointed to the board of BOVIS CUNSTRUCTION. He remains responsible for all Marks & Spencer construction. Mr John and marketing, He has been appointed manager and marketing director with hoth Higgs & Hill and Fairciough Building. Mr Bernard Hodgson hecomes surveying director. Mr Lord Boyd-Carpenter has succeeded Lord Camoys as president of the MAIL USERS' ASSOCIATION.

Sir John Hoskyns will join the board of FERRANTI as a non-executive director from February 28. He is director general of the Institute of Directors.

Ms Joy Weston has been Mr John Lavin has been appointed retail operations appointed managing director of director of HORNES MENS- INFOTRON SYSTEMS. He was concessions director. Mr Martin marketing director, from Storage Parker, buying and merchandisting director, has taken over sales and marketing manager.

#### ET INIT TRICT INFORMATION SERVICE

	2 '	UIN	I	1 IIIUS	1	MAI.	URMAI.	IUN	0.1	SILVICE		_
AUTHORISE	D	•		Brown Shipley & Co Lib 9-17 Persystems Nd, Hayman's B.S. Food	Hite	0444 435144 +0.4 435	Cartanere Fund Memora 2 St Mary Ave, Lordon ECSA Danting only: Q3-423 57445801 Apprican Treat	es (a) (c)	(1-653 1515 (4)	C-b-m-	ner el	PL) LM 0277 25463 42.51 2.2
UNIT TRUS	_			50.0	EKSEKERERE	拉 拉	Serials Top. (Account	ձ		Equity Dis. 299.1 Equity Acc 367.0 Equity Acc 367.0 Equity Increase 39.7 For Experts 40.2		**************************************
Abbey Unit Tot. Mages. (a 60 Holdestor's Rt, Borresconts Oct. Proce		345 717 + or	373 Year	High leases	22	+13 28 +23 28 +23 78 +23 129 +24 129 +	Commenty Stars 54.8 Lawpen Trus 63.2 Far East Trust 93.3 Far East Trust 92.3 Far East Trust 92.3 GR Trust 93.2 GRant For 93.2 Grant For 1000 93.4 Grant For 1000 93.4	3	PARTEES ST	Manufactures AS Hotel Associate UK Special Sta. SAA	題	選り
Frame Process of State of Stat	17.4 17.4 18.4	超		Orest St.S.	248.5 mit Little	XeXO	GN Tree 25.2 Glates Fd 20.2 Glates Fd (Char) 53.6 Glates Star Tree(Ed) 53.6 Hanter Agreriage 65 26.4		翻羅	Leonine Administration		03-400 757
Approved State 170.5 Employ Servette 170.5 Approved 170.5 Approved 170.5 Employ 170				Reycourt (Infl. Trest My Hesingh Hab, Parlman Sc. Will Income Greate 126.0 Suclamanter Management		(a) (c)		T	44324858859 54324858859	Les Assertation	334	#
	73		遥	Guchamaster Mathighment The Stack Earthings, London El Gateria Inc Fan 20		0.582	Managed Entired Fd. State	B		Lieyds St. (Jult Tst. M Registrar's Dept, Gering-by-6 0903-502543.	ica, Words Inches	(2) W Sesses 0444 45924
Michael William 194. 6 Michael Wat Louis Michael Wat Growth Act Unith 194. 6 Michael Michael Wat 194. 6 Michael Michael Wat 194. 6 Michael Wat 194	FEETER:	\$\$\$\$\$\$\$\$\$\$		Mazzen Unite Feb 19	102.5	15000000000000000000000000000000000000	DK Sat. Dt. Rig. TrialBit.9	24	題 選	Do. (Account) 1995.0 Earry Inc. 195.2 Do. (Account) 197.8 Exten Income 199.0	碧	103
0.3. Emerging Care	163	+12				@-942 11/4S	Citibal Accel Manageme BAM Starting Management 12 St. James's Mace, Landon S GAM & Inc Pet 21		2-455 9990 +2-5 LTZ	Estes Income	選	123 25
For Altico Huma son Section Allied Dunker Wolf Trasts				125 Hept Holtern, Cambon WC1 CS Assertes Fe 54.5 CS June Fred 57.4 CS Pertists Inn. Fa 54.6 Cameria Life Walt Trust		**************************************	GAM F IncPet 21 172 4 GAM H America Feb 20 113 A Da, Arran Feb 20 117 B GAM Fundament of 1712 A GAM Fundament of 1712 A			ham Crarth 1754	펆	<b>投票</b>
Alles Dutter Centre, Salatice,	590 lii	966 & 28	291	2-6 High St, Potters Ber, Herts Con. Gen. Pier	170.0	10 28	Corett (John) Unit May Washington House, 77 Landon	rieși pt. Litel		Dr. (Account) & Gen	点	114 11
First Total 123.0		いた。		Do. Income Dist	149.0	超過	Court Acordon Courts - 198.0	60.9 70.2	10.7 142 10.4 405	De. (Access)		124441115 124411115 124411115 124411115 124411115 12441115 12441115 1244115 1244115 1244115 1244115 1244115 1244115 1244115 1244
1 (1			420	Cincton Furd Managers 1 Oyushi Way, Wanking, 1849 Coroth. 255-h 100mr. 299-2 For East 1860-1860-1860-1860-1860-1860-1860-1860-	277. 270. 200. had		Genetic Assortion Inc		195 195 195 195 195 195 195 195 195 195	Lione's Life Date Tat.		
	76.4 17.4	+17	1.77	Capel (James) Magt. Lis 100 Okt Brown St. EC29 180	163	#637 615 (0-621 601)	Covert Uni Spec Open	711	535	2 St. Mary Ave. EC3A GBP Equity Access. 139.8 Eastly Dis. 139.8 Edit Trial inc. 52.1	140.5 100.7 54.54 53.44	0-720 CD
Pacific Treet		the contract of		income PATT					W	Gilt Treet les 52.1 Gilt Treet les 52.1 Gilt Treet les 62.6 Holp Ingales Air 70.9 Hill Servets Air 72.3	-	
		+14	12	Cater Allen Unit Tot Ma 1 Vice William St. EDM 7AU	engers	## #1.423.6314	Stant Line, Louise EC3 807 Grandle Capital 510	414	71-621 1212 2.73	Local Authorities' Muts	55.71 ud Tuvest.	Tst.*
	STATE OF THE PARTY	इन्ड्न	15 15 15 15 15 15 15 15 15 15 15 15 15 1	Color Alles Gill TV	106	+0.2 11.75 England## (0.580 1815	Gredone Unit Trial Ma 9-17 Persympat Rd, Hayaned Gredon State Greets 129.7 Gredon Mr. 122.6	Heath 044	4460-2	77 Lendon Wall, EC2N 108 Property Fund Im 31 Eastly Fund Im 31 Find hat See Fit Im 31	100 H	0.50
Press East 14 172.5 Technology 19. 189.4 Essent Technology 19. 19.5 For East Ex. 74 179.8				Foot In St. 33		- 17	Bridge Harrier (Int			Louise & Manchester	of the Licentia Clark Manual	Auctorities d) Lital
For East 16 137.0 Sealer Co. Fr. Tr. 137.0 U.S.A. D. Til. 137.0	誕	111		15 Moorgate, Landan, EC2	!!	0.4802			7-508-5517 +0.0 4.00 +0.0 3.50 +1.0 2.72 +0.0 2.73 +0.0 0.0	Westinde Park, Exeter C/S 1/ American Trust 28.4 General Trust 79.2	30.4 49.0 50.1	1092 21534 +04 03 +02 32
Authory Window Suft Tat. 1 15 Wingsie St. Lundon El. 74/P Weler Geth Pf. Lun. 72.3 De Accom. 77.5	Mgart.	01.577 U	010	Charities Official lavest. 77 Luxden Wall, Looks EC2N:	Fundit		Croken European Trees. 154.9 Croken Cit Trees. 1750	573 2865 543 543	14.5 255 10.2 055	Japan Tree 22 Japan Tree 20 Japan	易	tetete Keecke
Mar 640 Pt 14 77.3	M	=	146	Access for \$1 Cierteal Medical Unit Tre Herron Plate, Briscol BS2 0.00		men Ltd	Courding Royal Ex. Unit Royal Exchange, Lundon SCOV	Myes, Lie SLS 0	(a) 13-446-9903	Lampion Law Well: Trees Belley House, Old Sencral Lan Capital Group	Magt. Li e, EC4	01-534-630 F4
Artestanck Securities List ( 131 Fredery Parence, EC2A 1A Capital Greets	SE SI	GL 628 9	ere LE	Economic Emity 343 Economic Inc. 343	蓋	#22	196.2   196.2   196.2   196.2   196.2   196.2   196.3   196.	100	14 CE CC	M & Comm (vYeVs)		
Capital Create	뛢	-		Confederation Funds Sile 50 Chancery Lam, WC2A 1HE	gt Ltd (	(a) 01-242 0282	Pacific 198.0 Prop Starra 218.6 Small Cot 198.9	27/4	拉盟	Three Querys, Tower Hill, EC31 Hot: Dealing of American & Connert	225	24244
Sign York MAS	温		2223	County Bank UT Ltd 261 Chemosto, London ECZY 6	22A5I	CI-729 1999	Colid Management Limit 12n Findays Sq. Lenten SC2A		n-428 4090	Uctum Units) 597.1 American Internety 240.1 (Accum Units) 250.3 American Emile Left 57.8 (Accum Units) 58.9	祖	福苗
Accumulation 67 1 575 Withdrawall 53.8 Manager Plant 52.6 Professor 53.5 Professor 51.8	SEE SECTION	120	318333	Coping (Across 206.2 Escrip Tit. #1.3 Escriptor Greet Tit. #6.2 Estra inc. 145.0	173	*********	Colores Makes Half To	중2 #		Australiation 59.3 (Access Units) 75.5 Cross offic 75.5 (Access Units) 798.4 Completed Cross 755.3	14214	到说
Andre Despeted 1188 Andrew Sterr 188 Andrew Sterr 188	25.4	類		Principle 194.0 Francis 94.0 Ga Grange 94.2 Grand Inc Treat 194.0	5.1	認證	Coloness Maken Unit Ti PD Box 442, 32 St Mary at 118 Teople for See Dris. Pd. 1012.77 High income	, EC3 6 149,574 53,14	1423 1233	Conservation Grands 795.5 Conservation Grands 795.5 Conservation Incomed 185.0	1	
78.6 13. 77.2	題	排		bagging & Crossip Fig	1135	100	Hechtry 1661 Bit Tree 15.5 R Vaccet U.S. Cotto 72.6	320.0 17.0 37.0	描譯	(Access Units)	1767	13 13
Archivery Bell Tst. Mgs. Lt	12.7 1(1)(c)			South East Anta	79 LIM	では、	It Viscot High No			Enten Vield 1927 (Acques Units) AGE 1 For Enterin 2095 (Accum (Links) 150-5		151 NN 251 151 151 151 151 151 151 151 151 151
St. Sen Street, London EC2M 200- bod 200.0 Front Fred 200.0 Light York Equity Fil	247.8 30.4 63.2	mos es	KE	Crown House, Wolfing GUZI 1X Crown House, Wolfing GUZI 1X Crown Righ Inc. Treat	2015 2053 1005	04062 2423 423 570 423 134 467 677	Hambre Hamarall Fund   Prodder U.T. Admin, 5, Brandwood, Erost Hom Gee UK Grook To., 50.2 Ham Gee Prop States Tol. 25,0	34.5mg	405 3.71 +0.6 1.54	(Action, United 1991.5	373.3 573.3 1199.7 57.9 89.4	20 1
Arkeright Strengement				Continues, Years, Duren 1994	UE LE	metra 842277	Hambres Bank Unit Tru Proster UT Admin, 5 Hayleigh			(Accord Viels) 57.0		語語
	275.9	2		Total Post that TA	Manage	01-638 4405		44	+07 175 +08 4%	High Income 276.8  Clarina (Jales) 734.1 International Growth 572.7  (Account (As) 1072.3	293.4 293.4 778.1 736.7 1143.3	当場
kticaje Bulk Managers Lisi 16 Maryste, London ECLR 6EL Maryste Sept Grat	57.6	+1.1		gible he Feb 20	VEAL LIME CAL VAN		Tambres Complier Treat .40.0 Embres Egyty Inspire .79.7 Hardres Egyty Inspire .79.7 ESA distribute light for 15	-	10.0	Accum United	57.7 58.4 585.6	-63 22 -63 22 +03 52 -71 00 -7.0 0.0 -0.0 0.0 +1.2 4.3 +2.9 4.3 +2.1 3.3
ten For End	77.7	7	2	Size Cap Feat let 132.0 Size Cap Feat Act 274.5 Deposit Feat let 152.1 Size let Feat Act 162.2	253.5 75.0 70.0	三邊	Humbres Sender Co. T., 1977	1145	超邊	Japan Semiler Ca's 72.5 (Accord Units) 72.9 Michael 72.9 (Accord Units) 7178.7	77.2 77.4 309.2 1249.5	13 33
Ing. Fair Earl	114			Domestic Unit Tet Magra 3 Charlette So. Edinburch EHZ 4	144	001-225-4571	Henderson Administrație Prenier UT Admin, 5 R Grentword, Esnet		(c) d. Hettor, 277 217296	Marchael 1974	904.9 904.9 1261.3	-08 18
hills Cifford & Co 1.ht	144.2			British Growth Tit	101 141 152 152	で	Synde Str. 115.1 George Help 161.7		45 15 15 15 15 15 15 15 15 15 15 15 15 15	Second Genom	620.75 620.75 768.0	1999
Glenfintes St., Echichargh	******************	1-226	-	EFM Unit Trest Manager	1 14	+65 17. 657-225.3492	Con. Grands 51.2 (Arc. Units) 58.5 Inc. & America 78.1	24	超器	Charlest Funds Charlest Fab 13	12154 15.74	一 記
Expense of the second s	蜡	57	279	EFM American Fundary	탪	107 100	ler, & Greath 1272 (Accurs, Galler)295.6	128.4 137.4 283.9		Penglos Er Feb 17	598.n-d 625.2	
Tochester (d	监	PEEE'S	第五四十	4 Michille Dregoni, Landamyli EYM American Fondol J.B.Z. EYM Capital Fundol J.P.Z. EYM Capital II (2)	128 E 25	語語	High Income 153.0 Extra let 143.0 Smile On Dir 171.0 Prof. & Gill 153.0	153.5 63.5 44.2	12 12 12 12 12 12 12 12 12 12 12 12 12 1	MGM Huit Managers L. MGM Hume, Heavy Rd, Worth High he	210.2	01-623-821 +121 53
E Comp (2)PES		~0.pl 1		ET B REMARKET FAMILIA TT A ET B Totan Familia	183	- 12 PM	Photo Interest	56.71	13 925 144 0.01	UAccest Units	222.4	語語
baltic Trest Messagers List 5/25 Abersale St, Louise WIJ 0-471 0295	440			Seet Jap Con Feb 22 NAZ.s	23	元語	Global Income & Guille 52.7 Global Researchs	25.0 211.9 44.4 161.4 379.4	+0.5 1.55 +0.5 1.52	MILA Built Trust Manag 99-100 Sanding Rd, Maldston MLA East Tst		062267475 +0.4 23
Trust 202	1	20000	4	Eagle Star Unit Mages & Bath Road, Chesterless \$1.5370 UK Bathard Truck \$4	는 산년	104 110	International 150 1 International 150 1 International 150 2 Internation Funds Assistation 150 5			MILA Employer Trad 22.3	29.1 23.6-4 26.8	+04 22 +04 25 +04 13 +04 13 +0
Treat Post Time Co.2 (Co.2 ) The Co.2 (C			#	IIK Returned Treat line _60.5 IN Resinances Treat Acc _60.5 IN Consety Treat Acc _60.5 IN Consety Treat Acc _60.5 IN Consety Treat Acc _60.5 IN Amprox Treat Acc _60.6		+04 119 +04 119 +04 156 +07 154 -84 880	European Sampl Dyn	77.3	+0.2 0.00	Manuel He Management St George's Way, Stevenson Globfold let		013635610
hand Souther		~611 I		Far Externo Trust Ace	競		Sincer & Man	20.00	100 100 100 100 100 100 100 100 100 100	Figure 1 to 1 t	70.5 306.6 23.4	+63 87 +64 71 +61 10
bacom Ho. 252 Rounterd Rd, E7  May America	31	<b>四</b> 四 2	37	The English Trest Group 4 Fore Street, Lordon, EC2	7.	01-720 7120	Amer Receip Tig		+211 139	UK Sealler Cox. 59.8 North American 65.5 For East 73.5	70.5 306.8 23.6 111.3 63.6 69.6 76.1	17 05
And, In All All All All All All All All All Al	質	繼	2	Droby Day: We Enterprise Forel Manager		3.40	E	117.1 102.6 204.7	100 100 100 100 100 100 100 100 100 100	May Server Management 14-15 Grestner St. London &C.	Co Ltd	DI-606-809
70	H	淵	750	2 St. Mary Aug, Lundon ECSA 66 Purishin UK Growth A&A Engeltable: Quits Administr	ration Li		American BAS Gleini Tech BAS Public Ex Tel: BAS	153.7	題獎	Second Feb 3 27% 3 Second Feb 17 07% 7 International Feb 3 136.9	708.0 124.4	三邊
GREFIELD DE	器	猫胃	4	95 Fountain St, Manchester #2: Far Embry 99.2 Gift & Fe les 99.2 High Jacobs 95.1	63.4	11 17	Startlable Unit Treat Min 52 Bertaley Square, London W. Grand Find		11 134	Mencap Unit Trest May Unicorn Hise, 252 Rosslend Rd, Mescap	130.71	)(c)(g) 01-559 554 +0.0 4.4
Appendix on 17 App.	M		#	Prilicant d last 1 spill 3 - 58.3 Special Sks 68.3	23	+0.4 5.53 +0.4 5.53 +0.5 3.51 +0.3 2.54 +0.3 2.54 +0.3 2.54	Hestmans Balt Trest Man 30 Frier St, Reading, Berks	maners Link		Mercury Food Managers 33 King William St, EC4R 9AS		01-200 2060
Section In the Control of the Contro	뛖	1	ZZ	Equity & Law Co. Tr. M. St Secrets Hop. Construction St. I	(a) (c)	0285 20231	Commission (mail and mail and	25.7	150	American (Augs) 92.9 (Actum (Augs) 98.1 American (Augus) 98.6 (Actum (Augs) 98.6 Enterman Franch 186.7		4 接
Transfer Train		捌	A S	Chi Corto. Ter Ace 134.2 Uni Gorto. Ter Inc. 138.1 Higher Inc. Ter Ace 23.1.1 Higher Inc. Ter Inc. 177.8	127	語語	Histogram Services Add 28 Western Rd, Romford RM13 Ann Print, 196, and Charle Gram 194, 2	163.4d	276	LACORE United 100 1 100 1 European Lacore United 100 100 100 100 100 100 100 100 100 10	翼	
laring Famil Managers List O Box 156, Bestenhay, Kest B/C	4000 1	n-659 W	C2	BPIN/Pint of Traine 113.7 BL America Tst Acc 113.7 For East Till Acc 117.2	114.0	超 誤		srut (a)	466 4555	(Access Units) 945.1	쭯	
many source 50.2			100	General Treat 2015 F & C Unit Management	24	超區	HIM Summed their Tet. My HLA Tower Additionable Read, the Insists Trust	1015 1015	温温	72.9 (Access United		超透
reset à lec 575	蕊	\$\$\$\$\$\$		1 Laurence Poutrty Mill, ECARO F & C American F4		11 12 13 14 14 14 14 14 14 14 14 14 14 14 14 14	Gai Far East Bil Flatancial Tyrant 200.9			December		1 2
ra depart Con Tit CP1.0 lest Samiler Con Tit CP1.0 lest Non America Tit CP1.0		100	34	A C Franco Inc Fra	Services.	4 1945 1955 1955 1955 1955 1955 1955 1955	the oligin Virte Tox	100 739	119 135	Emmys Feb 19 200.0 (Access Vels) 200.0 Midland Stank Group UT	200 M	超进
arrington Migual Co Ltd (s 9 Gresson St, Landon ECOP 205		2-606-44		FS levestment Managers		40.537 40.5326462	igh Japan Tech Tix 50.0 igh Nat. Restorces Tix 29.6 igh Security Tran 167.7 igh Security Tran 167.7 igh Space Sits. Tex 18.5		12 设	Tet: 0742 79842	Newl, Shelfi	e4 St 300
1037 J	對	}	13	PS (Accord Goth PI		220	181 Fund Managers Ltd 32 Queen Aune's Gate, London S	(a)		Captesi (Accum Units)	緻	湖道
ga Yie 24,9 Come United 24,5 Indian United 35,545	輯	:12	2	to Means)		<b>= 1%</b>	10 8-160*mm   127.6   10 100 mm   24.4   15 105   41.4	127.5	12	CACCOM (Index)	8	祖鏡
int. A leave to the control of the c	翻	-0.0	77 SS	River Walls, Teabridge TH9 10Y American (a)	767	0732 MAIA	Key Fund Monagers Ltd 35 Fountie B, Marchester MZ		1-236 5685	(Account United	1	祖籍
ectors, United 53 79.6 horspeen Clark is 51 79.6 lectors, United 777.7	題	4071		Lumprer Treat(z)		\$255555 \$25555 \$2555 \$2555 \$2555 \$2555 \$2555 \$2555 \$2555 \$255	Key Equity & Gare	235.7 25.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 1	14 224 14 488 10 1162 10 1163	(Accum Units) 251.8 Jupan rust Pacific 190.7 (Accum Units) 199.7 Harth Accordan 101.0		
Estapagate Progressive My	1000 1000			Ser a Fee les 20.0 Service à les Try 20.0 Ser	94.2 32.5 92.5 123.7	-74 -	Ray total Fell. 221.0 Kleiswort Season Unit &	2019 : lenepers	100	General Color Colo	器	细翅
5 St. James' Place, London SW1A 2 hade Prog Peb 15	15W 0	1-455 27	110000	Managed Int. Tytes 1145 Mar. Int. Ex. Tyt. 127.1 Professi Granta Tys. 127.2 Comb E. Anta Tys. (27) 132.2 Comb Sh. 132.2	722	141111 1411111111111111111111111111111	20 Fencionel St. London EC3 908 UK Emple: (1,04=1) 125.3 48 UK Emple: (1,04=1) 125.3 108 Fd in: Tets	***		Milli Unit Tet Migra Liti 21. Devocable: Square, London 01-626-3434	EC210 4VI	R 01-623 4273
Character 17 190.5			_	Robert Flemby & Co Ltd Cresty St. Louise ECSA SAN		CD-638 5858	RS PG to Tre Age. RT S GREAT STATE STATE GREAT STATE G	15.2		Gold & Proc. Marph	44.0 45.1 99.7	100 100
rents Solgable Unit Tet Mi Compar St, Landon ECLA 9DE				As Earner (18/2)	277.7	三邊	CR by December 107.0	74.7	274 274 274 274 274 274 274 274 274 274	(Access Units)	62.3 67.1 67.1 67.2 97.4 64.0	超器
CORpor St, Landon ECLA 9DE Prote Dobbil Pd. 118.5 Insula Discord Pd. 58.9 Insula Insula Pd. 125.5	7	3	¥ ;	Fremitington Group (A) 5 Landon Wall Sides, ECZM SNQ Lang. & Gas	2073	## 55 55	AS he Recovery Acc		133	Clarent Units	374.6	報號
	3 .	2-623-49	4	Accord Units) 775.4 In Taront 209.2 Accord 1983 215.6 Accord 1984 718.6 Accord 1984 718.0						Mindes Front Management	媼	10.0 676
eldige Pund Maximum (a)(copi Hazza, King William St, EC4 mr. Can. to 7	湖	- 8		Azzam (Hole)	쩗		LAS Unit Treet Manager 95 George St, Edinburgh EM2 St 146 lett. Grovez Yu. 1944 LAS Migh Instance Yu. 1975 LAS M. American Equity 1924 LAS Unit Emby Yu. 1924 LAS June 1935 LAS Lover 1935 LAS Lover 1935 1935		40.7	Minster House, Arthur St., EC45 Minster Emont Juneary 22 230 5	307.2 307.2 234.5	+4.9 4.00
Acc. 1 1454 Acc. 1 1454 British 1 1540 Acc. 1 1540 Acc. 1 1540			# !	Access (John) 147.4	盤					Marray Johnstone UT M 163 Hope Street, Clasgow G2 2 American 105 Lat	UH D	0-22) 1232
Denius "Tues SWed YTher. Pric	es Feb 1	719728	ì	Account Units 109.2 at Granth Fel. 159.6 Account Units 159.6 Account Units 164.2 Account Units 164.3	點	# 1 1 1 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	L. & C. Halt Trest Massag Ployty House, Capital Are, EG2 L&C be, Rand	R 70E CL	-55\$ 2800 -6.6 5.78	European 1921 For Eastern 543	112.2m 54.6 205.5+2 37.9 185.7	## ## ## ##
ritamis Unit Treat Manage 1-78 Finday Pavenine, Laute 1-588 2777 Pavenine Daving Reputs Vermain UI-675 6666	E 117-670	W1907	7	Access, (Mats.)		超短	Laurentine Unit Tot Mag imperial Life Hos, Landon Sid, Co Greath Treat			Army County Frank	207.75	1 140
K Specialty Funds K Specialty Funds Special Funds		10 A	7	Robert Fraser Trast MgL 19 Albemarie St, London W1 St. Frager Goth, Tyl	95.3	01-463 3211 1.90			471	Managed Energy Feb 20 199.4 SE Appl Energy Feb 5	33	
many Funds seaged He Fd Ser. 1 C Growth 200.0 Ed Secure Funds ons He Do. 5		超级	05 E	Friends Pros, Trest Mana Pistons End, Dorldon P. Econy Units	Tet:	IS NOT THE OWNER.	Commanday Every (50			MFU Meteral Upit Manag 35 Feantale St, Manchester M2 Joen Equity	ers i.bi 2AF (K 58.8ai	1-234-5485 248
	34.	+72 03 10	-	P Streetide 1914	器		Pemy Darry (W7.15.2 American & Proc. (TV2	17.2	10.00	Mational Provident Inv it 48 Gracecturch St, ECSP 3488 NP1 UK Dat To	igns List	1.625 4200
a berly 18.3 a least of 18.3 a	200	-A-2	<b>9</b> (	Family in Court* Public Trustee, Klaspany, WC2 apter Fee 13			Lazard Brothers & Co Lt 21 Meorfields, London EC2P 2H MK Preds	of co		NP1 UK (July To	3304 5404 667.2 62.7 m	語語
The Paris Paris	-6.3	104		ings Youd Feb 13	176.2	n commit	Control 199.3 breatheast 190.3 breatheast 120.0 Small Co's Greath 194.2		きころ	MPI For East Tot	37.7	超出
Service Growth	22		9 8	Regions Rous, presented i. 6 A	134.9		UK Franky F159 5	108.5 163.5 2,760.0		Morthgata Unit Treet No 3 Loeden Wall Bidgs, EC2M 591 Northgate Feb 20	197.4	d (c)(y) 2-600 1212 
o Greate 232 ?	1/2	+61 1 +65 1 +10 0		1-20 275	Doubles:	四-659日	Refere Cooling (1900)	162.0 162.0	- 38	Horwich Union Jasuranes PO Res 4. Marrick NRT 3NG	Group (	3.46 (a) (a) 622200
per Pert, Trest				740 Care Estres 1401 Carrageons 1713	152.04 152.04 144.0 71.3	;끊 겁	Wen Medianic \$395.5 Intl. Seed \$206.0 American \$25.5 For England \$246.5	1100 2014 1000 1000	210 210 200	Group Int. 17st. Fel 1734.5	122.6	+7.8 4.08 +2.0 1.65
ment funds	75.8	+48 3	2	ect. 6 (2004) 159.7 epos & General 159.7 er East and Gen 24.1	10.1	######################################	Estimate 1327.0 Estimate 1299.5	135.0 307.0 230.0	148	Octavian Unit Trast Mgs 84 Feedback St. Louisn EC3M Special Trail	48Y	11-265 0571 240
	. يحد	40.H 15.	5 6	- NJ	65.0	-14 10	in a Growth Property	119.45	400		HUED OY	

#### Overseas role at Hughes Aircraft

American Express

ACROSS
1 Nothing in larch, quivering, is connected with singing

4 thing to express disapproval about (6)

23 Bearing a title (7) 24 Ways of living? (7) 25 His 23 would be (6)

26 Engages in totting. That's

THE FINANCIAL TIMES

is proposing to publish a survey on

**GHANA** On Monday 19 May 1986

Advertising copy date for this survey is Monday 21 April 1986 For further information please contact: Hugh Sutton, Area Manager-Africa

Financial Times, Bracken House 10 Cannon Street, Loudon EC4P 4BY Tel: 01-248 8000 ext 3238 Telex: 885033

F.T. CROSSWORD PUZZLE No. 5,956

Flortz, executive vice president, has been appointed head of American Express Bank's operations and systems worldwide.

	Manday Fabruary 24 1986
Oppositioning Fund Mingt Ltd Starwart Ivery Unit, Treat Mars Ltd (a) 551 Carror 5t, Lordon ECAN DAE (b), 01-230 5805 45 Charlotte Sq. Edinburgh 031 220 3271 Internal and Corporal 1239 425 300 American Time 1250 455 300 American Unit 1250	Financial Times Monday February 24 1986  Manufacturers Life losse to (UK)—Contal Preservy Greath Assur to Late Contal Preserve Greath Assure to Late Contal Preserve Contact C
1	Garage Int 101 Providence Capital Life Assa. Co Life.
Pearl Trest Managers 4.6d (a)(g)  252 High Hollium, WCIV 7EB  01-405-5443  Sun Alliance Fund Management 4.6d  Pour Growth Fa	Do Account   116.0
18 18 18 18 18 18 18 18 18 18 18 18 18 1	Compared   Control   Con
	Descriptor   12.5   Desc
Positic Tar Data 1954 1954 1954 1954 1954 1954 1954 1954	Municipal Life Assurance Ltd. (1922-1935)
Profit Ind. 10.4 10.5 10.5 10.5 10.5 10.5 10.5 10.5 10.5	Description   1920   Description   Descrip
Providence Capital Fig. Bight. Ltm. 30 Usafety Rand, Lambay E. 158 Usaft Trants (b) (c) (y)  158 Usaft Trants (b) (c) (c) (c) (c) (c) (c) (c) (c) (c) (c	
Uit Equity Acc   Market   Mark	Proc. Int. Manchest DOGS Proceedings of Michigan Health Sea GLP 9439 731009
Hobers Emplain Frest 273 554 403 0 to 31 Ont Trent Managers LDF 649 403 1692 1593 1694 1595 1694 1695 1695 1695 1695 1695 1695 1695 1695	Penal Marie Fire Star 124   Manuard Def 191.1 201.2   11   Penal Marie Fire Star 124   Manuard Def 191.1 201.2   11   Penal Marie Fire Star 124   Manuard Def 191.1 201.2   11   Penal Marie Fire Star 124   Marie Fire Star
Section   1967	Managed Ingrate
Biothern June   1976	Neise Gal of I. Com. 194.0 194.4 - Describe Del 194.5 22.2 22.3 194.6 194.7 194.5 19
Reflance Unit Mays. Ltd	Micro Int. Parties 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.
\$1 Switter's Line, London EEX  \$1 Carping Fig. 1 111  \$2 Switter's Line, London EEX  \$1 Carping Fig. 1 111  \$2 Switter's Line, London EEX  \$3 Switter's Line, London EEX  \$4 Switter's Lin	Debuggist Fund   1912   1912   High nations   271.4   High nations
NE Souther Envision 1973 1272 +12 0.00 TR learner teaching 1973 1974 1975 1980 1974 1975 1980 1980 1980 1980 1980 1980 1980 1980	Pun. Querran Equity 2011.2 21.1.2
33) (long William St., London EC4R (AS ) 01-439-5478 100 Wood Street, London EC2	Final increase
Ruyal Life Fd. Might. Ltd	Matternal Prevident Institution  Of Control Prevident St. London Et. 3P 3NH 01-623 4200  Of Control Prevident St. London Et. 3P 3NH 01-623 4200  Of Control Prevident St. London Et. 3P 3NH 01-623 4200
Royal London Unit Tst Mgrs Ltd	Managed
Special Ser	Propine Funds   Prints   Pri
Control Front First 1   156.0   177.3	For Lest 125.5 91.3 18.6 Hastinate Mattail 125.5 19.1 40.3 Hastinate Mattail 125.5 19.1 40.4 Hastinate Mattail 125.5 19.1 40.4 Hastinate Hastinate Theorem Theorem Theorem Theorem Theorem Theorem Theorem Theorem Theorem 125.5 19.1 40.1 19.1 19.1 19.1 19.1 19.1 19.1 19.1 1
Do Account Links   1993	Indigent Call
Anney No. 6 Goods Feld L. Model and L. Model	For New Zealand Inc. 800 Window Life Asser.  Norwich Union Insurance Group PB Box 4, Newbort NRI 386  9603 622001  Study Fred L. 10.59  10.50
Francisi Seris	Projecty Ford
Common (c)   Com	Ord Share* 316.9 333.9 - Pacific Bush 122.8 127.2 -0.4 - Property* 124.4 122.8 - Pacific Bush 122.8 127.2 - 0.4 - Pacific Bush 122.8 127.2 - 0.4 - Pacific Bush 122.8 127.2 - 0.4 - Pacific Bush 122.8 127.2 - 12.4 - 12.4 - Pacific Bush 122.8 127.2 - 12.4 - 12.4 - Pacific Bush 122.8 127.2 - 12.4 - 12.4 - Pacific Bush 122.8 127.2 - 12.4 - 12.4 - Pacific Bush 122.8 127.2 - Pac
Second	PBR Famel Mintespensions Ltd
Schwarder Unit Trust Managers Lbs   Security House, 500 Anchory Booleand, Cert Miles   Security House, 500	Prop. Add. (German)
Incomp   I	Per Nam (Series II 1993 35.6 07 Prop Perm Fel 1.1.9 65.6 Nam Series 22 10.0 10.8 10.8 10.8 10.8 10.8 10.8 10.8
Mar.   1973   1975	Property   Page   Pag
Second United   1917   1918   1919   1918   1919   1918   1919   1918   1919   1918   1919   1918   1919   1918   1919   1918   1919   1918   1919   1918   1919   1918   1919   1918   1919	Dec.   Let Act.   100.4   10.3   10
Scientiar Asset Management List 3756 Sracchert St, Lordon ECZN 787 01-5880542 3757 1875 1875 1875 1875 1875 1875 1875 1	Special Research   12.3   118.2   -0.3   -7 class   -
Scottish Equitable Fund Stort Coll Service C	OK Capital Acc
7cticology 10.0 221 (Insertment Mart M & C less these Last	Flowy Fund
Scottish Matural Investment Managers Lbs	ST   Statement   1971.0   154.0
Scottish Provident Inv. Nogt. Ltd   Japan Seri   1899   154   177   Providence   1899   154   177   Providence   1899   154   177   1782   1783   1784   178	
Scottisb Unit Managers	100   100
Secretical Widows' Fund Management Sparre 1957 1557 456 - 1857 456	Property Equity 4. Life Ass. Co
Fig. 19 in Feb. 22   100.3   +0.4   10.3   +0.7   20.0   Squared   10.5	Property Greenth Assier Co Ltd (2.400000) Property First (2.400000) Property (2.400000) Property (2.400000) Property (2.4000000) Property (2.4000000) Property (2.40000000) Property (2.40000000) Property (2.40000000000) Property (2.4000000000000000000000000000000000000
Perfolative Feed   Performance Feed   Perfolative	19 St Andrew Square, Editorarch   151   104   19 St Andrew Square, Editorarch   151   15
Part Part	Index   Among
Intervational light   151	11   12   13   14   15   15   15   15   15   15   15

الأمل الأعل

Financial Times Monday February 24 1986 INSURANCE, OVERSEAS & MONEY FUNDS 321 1 112.4 Schreder Unit Trast Mgrs. Int. Ltd HM become & Guth Ful 2 Business Bank 

22		Financial Times Monday February 24 1986  ENGINEERING Continued INDUSTRIALS Continued Industrial Continued Industri
BRITISH FUNDS  AMERICANS—Cont.  Price Last Vield Dividents Stock & set Gress Con Gr's	DRAPERY & STORES—Cont.	Direction   Stock   Prior   mi   Het   C'um   678   Prior   Prior   Min   Mi
12Dec 12Just 1295 1296 975 11 12 01 12 23 14 5 5 DeCSX Corp M.5.51 00 25 12 15 16 1 15 10 10 10 10 10 10 10 10 10 10 10 10 10	1 RIIII DING TIMBEN RDADSanCORL	Brone Liefe   20 8/02   8.2   4.3   5
22.last   22.last carb   13/act 197   1017,   16.12   13/9   11.04   10.39   11.64   10.39   10.39   11.64   10.39   11.64   10.39   11.64   10.39   11.64   10.39   11.64   10.39   11.64   10.39   10.39   11.64   10.39   10.39   10.39   10.39   10.39   10.39   10.39   10.39   10.39   10.39   10.39	Col.   May Control F 1 50	Feb 123 131 132 26 63 73 Mar. Sept to the Content PROF 305 442 16.9 185 64 2.7 Mar. Sept to the Content PROF 305 442 16.9 Mar. Sept to the Content PROF 305
25 Jul 26 Jun Trees 7 Jun 1995 6837	Detailer   Despite (Rent. M)   S74(0.2)   1.77 2.6 2.9(0.5)   Underwords 109   198	10
10 Oc 10 April ress 9/36 Cm. 49	Oct   Agriff-ortext (florate) 50,   65   29   13.0 27   6.3 8.1   3.49	Apr. Oct Deep Corp
12 Aug 12 Frit Each 11pc 1990cs   100 lb.1   11.00 lb.9   10.9 lb.1   11.00 lb.9   12.5 lb.1   12.5	Dec.   Injlienders of Group   250   11.11   16.0   2.5   3.713.0     AUS   16.0   2.5   2.0	Delignment   S.W.   48   15.10   23.11   31   5   6   6   7.10   6   7.5   7   6   7   6   7   6   7   6   7   6   7   6   7   6   7   6   7   6   7   6   7   6   7   6   7   6   7   6   7   7
Solar   Shan Funding Start 67-5121   100-513   10.55	Voltati Anece Con   772   1.5   1.	May   Nov[GKR E1   1987   19
	Jan.   July   Lawrence (M J   95-78.10   75-49 3.1   55-7.0   July   Juny   Bart   Bart   C 50a	July Dec. Institute 3 analogy 3 and
227 et 2240 2240 2240 2240 2240 2240 2240 224	May   Ct.   Magnet & Southerns   136   27.1   4.71.7   4.91.71   August   Buritis Telecorum   136   23.12   98.7.3   3.1.21.02     Agr.   Ct.   Maghamers   Hilder   1.7.5   2.5   5.4   10.6	June   Declaint Group   275   16.9   5.5   3.6   2.911.3   3.0   6.00
15New 15May (Each 174 or 1740t) 1156-21 1 156-27 1 1 156-27 1 1 156-27 1 156-27 1 1 156-27 1 1 156-27 1 1 156-27 1 1 156-27 1 1 156-27 1 1	Assp.   Feb.   Northeptens Brick   1972   2112   6.5   2.1   48 18.4	December   Manganese Service   55   111   311   25   48   13.9   14.0
1860   1845/17428-6-5px 1995-9612   764/25-9   879   10.11   179   10.83   179   10.12   179   10.83   179   10.83   179   10.83   179   10.83   179   10.83   179   10.83   179   10.84   179   10.84   179   10.84   179   10.84   179   10.84   179   10.84   179   10.84   179   10.84   179   10.84   179   10.84   179   10.84   179   10.84   179   10.84   179   10.84   179   10.84   179   10.84   179   10.84   179   10.84   179   10.84   179	Dec   RMC   S28   D410   13.01   3.3   3.5   12.8	Corober   Maybeint   231,016.9   0.11 1.6   0.612.9     Horisets Comp 100   86   5781     4313.7
143an 143affreas 13pc 2000 1175-91.12   11.05   10.59   Pb lity Ag to Southwestern Bell ST   460-7-1   54.00   7-1   51.52   52.50   5	Nov.   Bay Referend   237   1410   7.9   1.5   4.720.0   April   Mont (Properties 10)   290   10.2   12.97   3.6   15.26.5   Jan.   July (Rusph P. Ceneral   16.5   12.10   6.2   1.5   3.40.00   Jan.   July (Crystales 5 - 173   21.11   2.24   3.4   5.5   9.0   Jan.   July (Crystales 5 - 173   21.11   2.24   3.4   5.5   9.0   Jan.   July (Crystales 5 - 173   2.11   2.24   3.4   5.5   9.0   Jan.   July (Crystales 7 - 174   2.25   2.25   3.3   12.7   October   \$0.07	Image:   I
27 Feb 27 Arritrest 9 Loc 2002   94 Loc 2012   10.08   10.17   10.08	Listy   Nov. Tlanmax 50p   416   30.9   18.01 28   2.7137.4   2.7137.4   2.7137.4   3.7 0   4.8 0	Richardton West, 10p   19   5783
18 Apr 18 Oct Conversion 9pec 2005 443/11.9 10.011 10.	Mar. Oct Ward Nidys. 10p 271 2.9 7.25 4 3.9 5 Section 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	July   JackStanto Engl   194   1111   8.0   22   5.9   7.6
22   22   23   24   24   24   24   25   24   25   25	Oct.   JulyWinserConsol(1)   338   16-9   163.0   71   1-3   163   164   163.0   71   1-3   163   164   163.0   71   163.0   71   163.0   71   163.0   71   71.0   71.	May Oct   Crown 10
Index-Linked	Jan   AngiAmericken   Ind     330     251     151     25   25   25   25	July   Jacobia, Spring 100
20Nov 20Nov Do. 25st 103 3310.71 975 (14 10 5.74 3.97 10 10 10 20 10 10 10 10 10 10 10 10 10 10 10 10 10	Dec   July   Cannot   Page	Week Care   Marco
Prospective real retarregation rate on projected inflation of 131 10% and 122 3%, (b) Figures in parentheses show RPI base month for indexing, is 8 months prior to issue, RPI for June 1905; 376.4 and for January 1906 J.12 S1.12 986 J.12	August Mochron Group 43 15.71 (1.85 1.8 6.1)22.6 May Modelate May 2004 (1.85 1.8 6.1)2.6 May 1.8 May 1	Oct
4 Jun 4 Junistricas by 8s 111-jun 2010 100-js 12 11.07 13.06   Feb July ANCI SA1 200 3.6 031c 3.1 6.8   6.8	7 May Dichletson int 509 912 153 13 13 13 13 13 13 13 13 13 14 15 15 15 15 15 15 15 15 15 15 15 15 15	February   Happierree 10p
Blain   Blothet Am Dec Rt 12-ye 2003   122   912   1136   10-92   5ept   April Bit Learni (UIOCL   200m 102   112   - 6.71   56   56   56   56   56   56   56   5	July   Febboreven High.   377   271   377 4.7   17/15.9   Jan.	Apr   Barr (A.C.)
1987   1990   1997	Apr.   Ros. Sort. Apr.   Index Cl.   252   16.9   12.5   1.10   0   1.10	Apr. Oz.  Blue Brd Corfec.   49 (8.10 5.21 - 7.3
20 Nay 23 Nay 63 Nay	ORAPERY AND STORES	May Oct Collor's Dairies 198 M.10 16.4 2.5 4.83.1 9 Apr. Dec Fraction 37 (12 500 19 19 6.1110 19 6.1 10 16.4 2.5 4.83.1 9 Apr. Dec Fraction 199 M.10 17 17 18 19 19 19 19 19 19 19 19 19 19 19 19 19
1.6 Apr in Olivertrool 3/spt Irred.	Jan.	Sept.   Sept
15an   15drit 7-yr 198-92   972   22 8 78   11.10   Aug April 12 West 61   797 12 8   725 4 3 5 2 2     15an   15drit 15drit 10 7-yr 28 3-65   984 15.11   7.59   11.51     15ar   15drit 15drit 10 7-yr 28 3-65   984 15.11   7.59   11.51     15ar   15drit 15dri	Aug   Feb FBody Stop Int 5   121   3.0 6.7   0.547.0   Aug.   0cc   10.9 20.0   20.0	Apr   Ordinitards 10p   195   29.7   19.29   35   2.1126.4   2.1126.5   2.1226.5   2.1
LOAMS   Secieties   Secietie	7.7 Apr Oct.Caste(15.) 169 45 211 42.2 21 73 2.7 — Quest Arte 109 29 — 180 — 130 3.2 4 Quest Arte 109 20 — 180 — 1	Feb. Audit ares (John J) 10p.   169   271   181.45   32   20171   120   3.0   3.1114.5   3.0   3.1114.5   3.0   3.1114.5   3.0   3.1114.5   3.0   3.1114.5   3.0
15.1mm   2.1 Art   10. 11. 11. 11. 11. 12. 11. 11. 11. 11. 11	Just   Sheelchartel Holy   Just   J	8 Oct Marchitermans Group IDp. 749,13.1 1.8 2.0 3.517.1 July Monthersworth Ceranic
Public Board and Ind.  Public Board and Ind.  14th 14th 14th 15th 14th 15th 15th 15th 15th 15th 15th 15th 15	A.1   Feb   Get Formander 109	Mry Jo Sc DelSaleway S1.655   524.03s.11   51.70   4.9   Vocation   54.03s.3   1.772.1   1.1
11 List 11 List 10 Li Lac Ust. La. *90	Cold   Adv   Feb. (Colderer (A.)   Add   13.1   11.5   5.2   1.49.7   Feb. (Colderer (A.)   Add   13.1   11.5   5.2   1.49.7   Feb. (Colderer (A.)   13.6   11.1   7.5   1.7   5.81.2.5   14.9   14.	1
FOREIGN BONDS & RAILS   petarwel   Price   Last Bir %   Ret.   Aug   Feb Green King.   200   14.97   3.1   3	129	2 - Do Warraris 100
151an 153rd 10r Spc 23 Bears	16.7   Apr.	June   Howelderesternise 10p   215   10-9   HTS.0 3.6   2.0(23.9)   Jan. Aug.   Kleen E-Ze Hidgs   240   13.2   3.0 0.8   5.3   1.0 1.0   1.0
106   100	16.4   Sept. Apr.  In-croft (Kigor 10)   180   257   7.01   23   2.19   2.79   7.11   2.19	Jan
Price   Last   My   Not   Aberrisen Cores	185 Jan January 100 222 11.11 175 23 2.326.5 ENGINEERING 185 00 May 100 100 11.25 6.9 5.82	Hos July Price of Male: 74 11.11 1-9.25 2.9(15.7) June 100 Group 11.1 164 (14.19 75.0) 3.1 2.6(17.3) 11.1 May Gridgers Most 5p
Fin My Am Beldshort Land	13.5   October 10p	1
Fig. My. Ang. Weldshort Label	11.6   1.6	Oct. Aprilearunge Bres. 10p 1 93 2 9 42 6 63 6 7 71 - 71 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7

لكذاصر الأعل

Financial Times Monday February 24 1986	23
Designation	INVESTMENT TRUSTS
Paid   Stack   Price   al   Net   Cwr   Gr4   Price   Al   Pri	Do. Carotal Cl.   12   13   14   15   15   16   17   17   17   18   18   18   18   18
Mary   Margin Graph   10s   12s   14s   15s	Do. Warrants 58 25 4 50 Box Roylled Shife Sp. 105 Hig 247 3.4 Dec Margine Shife Sp. 105 Hig 247 10.3 Dec Margine Sp. 105 Hig 247 10.3 D
Hard   Health   Hea	tes May F & C Pacific two, 7. 213 30.9 M125 12 11 Nov April Terrescond. Serv. Std. 2 Ziani 11.2 (2.7) 12.4 4.416.7 May   Market Col. 233   12.5   15.
February Systems to Graph St. 22, 42, 42, 41, 11, 51.0 February (Firming Hip — 78, 13.1 11, 13.3 20, 16.5 Apr Cchiffron High Graph St. 23, 14, 14, 14.0 — 78, 15.1 February (Firming Hip — 18, 14, 14, 14, 14, 14, 14, 14, 14, 14, 14	Contract Case
June Det Pitery-Bruers Con. is. 527 5511 Q5,78 = 1.7 - MOTORS, AIRCRAFT TRADES - Priest Marians 51. 513ad 0.2 B 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Apr Sept Ferror Federing   114mm10.2   12.2   111   2.8   744   10.1   10.1   744   745
Jan. Sept Period Defr. 5th 768 (1).11 7(8).53.01 3.7112.6 litts; Roof-lends Hoter V50 389 (1).11 7(2).11 5 (2).15 (2).11 17.01 15 7(2).15 2 November Japan 470 16.9 1.77 9.3 2.313.1 Jan. July/Regalian 485 (2).11 17.0 11.17 8 November Japan 485 (2).11 17.0 11.17 8 November Japan 485 (2).11 17.0 18.1 18.1 18.1 18.1 18.1 18.1 18.1 18	Hay   Hot   For Branswick see   Hines/Augmation
An Beed bell 57 772 1717 1785 27 34734 1 2 2 2 34734 1 2 2 2 34734 1 2 2 2 3 3 1712 1 2 2 3 3 1712 1 3 3 1712 1 3 1712 1 3 1712	Apr   Morificant times   Inf. F. 7st.   49   30.9   1.1   49   32   35   35   45   45   45   45   45   45
Max. Sept. Restaur	May Cayde Petroleson 57 15.4 1.5 2.6 3.8 11.4 988-rick Hillets 198 025 0 7.1 1.5 2.6 3.8 11.4 988-rick Hillets 198 025 0 7.1 19.9 10.1 4.4 988-rick Hillets 19.8 11.5 2.8 11.1 3.0 988-rick Hillets 13.0 988-rick Hillets 13
Dec June 10. W	Dec. Ang Greethers House
- Ryan iscri 50 300-1774 3.79 Jan. JablySSS (int. 10p 31 1111 111 2.0 4.4/12.6 Nov. Aprilluid, Real Prop 570 16.9 12.0 2.0 30/24.1 0 Jan. JahlySS (rose 570 240 12.0	December   Supun Assets 10p
June   Octificat, Heritable   134   30.9   12.5 3.4   2.713.5   June	In
Dec MaryStation Crosp	October   London Trust
Ang   FellSomic   Sal   Si   4.5   2.6   25/20.3   0ct.   May   0c   May   16.9   17.5   3.5   1.9   2.1   1.9   16.9   17.5   2.7   1.10   16.9   17.5   2.7   1.10   16.9   17.5   2.7   1.10   16.9   17.5   2.7   1.10   16.9   17.5   2.7   1.10   16.9   17.5   2.7   1.10   16.9   17.5   2.7   1.10   16.9   17.5   2.7   1.10   16.9   17.5   2.7   1.10   16.9   17.5   2.7   1.10   16.9   17.5   2.7   1.10   16.9   17.5   2.7   1.10   16.9   17.5   2.7   1.10   16.9   17.5   2.7   1.10   16.9   17.5   2.7   1.10   16.9   17.5   2.7   1.10   16.9   17.5   2.7   1.10   1.10   16.9   17.5   2.7   1.10   1.1	Do. Cop. 49
Dec Jamelpring Ram 18p. 965 Et 30   1272-3   Jam. July Int. Transcript	Columnia
Apr Occisivelity	May
Rice   June State 7   10   10   10   10   10   10   10	Total Reserved   19   19   19   19   19   19   19   1
Apr Aug 734, Trimal Spant. 200 22.7 3.0 0 1.8 0 in July Chapman insty. 500 1.0 0 1.2 6.4 1.4 6.715.2 71. Trimal Spant. 200 22.7 1.1 1.0 0.1 1.	- Partic Assets 13:500 74
Apr Octionship (F.H.) 5p. 216aff(102 122 3.3 1.529.1 jam April Crossins (F.H.) 5p. 216aff(102 122 3.3 1.529.1 jam April Crossins (F.H.) 5p. 216aff(102 122 3.3 1.529.1 jam April Crossins (F.H.) 5p. 216aff(102 122 2.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1	Do. Warrants
Nov.   May   Turner & New. Cl.   249   50.9   72.5   37   22.42.8   May   Nove Ferry   Pick 100   230   27.3   23   23.10   27.3   23   23.10   27.3   23   23.10   27.3   23   23.10   27.3   23   23.10   27.3   23   23.10   27.3   23   23.10   27.3   23.10	December   Do. Sah. Sah. Fl. 1   195   2.12   Viji 483   1.0   1.9   -
Line. Oct. Value 7 8 9 13 1 14.6 3.1 3.013.1 July Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.9 May Feb History 120 153 13.1 325 4.8 3.0 9.8 Inc. Aug. Cogram (H.) 10p 100 7512 (2.5 2.6 3.6) 12.0 12.0 12.0 12.0 12.0 12.0 12.0 12.0	Da. Warrains
Jan   1972   197	Dec.   Second Market law   Sp.   400   16.9   16.23   1.0   3.9   3.9   3.9   3.9   3.9   3.0   3.9   3.0   3.9   3.0   3.9   3.0
May   Sept Printers   12   13   13   13   14   14   15   14   15   15   14   14	For Stockholders large Section Autoritic  Strain Investments 101   101
Proceedings (A.J.20)	In July IN February Comput.  JED N.1.2 1.7.2 1.1 2.3   Apr Oct Do. Pysic Div. 115 N.182 — — — 118.0   Torcask.   Intervine state increased or resumed.    JED N.1.2 1.7.2 1.1 2.3   Apr Oct Do. Pysic Div. 111 —   Sept. — 2.2   Torcask.   Intervine state increased or resumed.    JED N.1.2 1.7.2 1.1 2.3   Apr Oct Do. Pysic Div. 111 —   Sept. — 2.2   Torcask.   Intervine state increased or resumed.    JED N.1.2 1.7.2 1.1 2.3   Apr Oct Do. Pysic Div. 111 —   Sept. — 2.2   Torcask.   Intervine state increased or resumed.    JED N.1.2 1.7.2 1.1 2.3   Apr Oct Do. Pysic Div. 111 —   Sept. — 2.2   Torcask.   Intervine state increased or deferred.    JED N.1.2 1.7.2 1.1 2.3   Torcask.   Intervine state increased or resumed.    JED N.1.2 1.7.2 1.1 2.3   Apr Oct Do. Pysic Div. 111 —   Sept. — 2.2   Torcask.   Intervine state increased or resumed.    JED N.1.2 1.1 2.1 2.1 2.1 2.1 2.1 2.1 2.1 2.1
Apr Dot Do. Liux Cos. \$100. E79 15.4 01194 — [01.3] — [March   Strade Procession Rop   19.88   2.51	And interpretation from the state of the sta
Apr   100	by Dec Vising Resources
Column   C	Finance, Land, etc.  Sinitensis   Stock   Price   Interest   Price   Interest   Price   Interest   Price   Interest   Int
Nov. MayPrinderical	Agriciance F. Lev. 16  Applications to the complete form protection of the protection of the complete form of the
Mar   September   Mary   Mar	Cambian Vest. Co. 5a 16
Feb   July Window Secs. T09	and Delpf-Saiding-Fe Mars 5p 275 2.9 4.0 3.3 2-120-0 and Said Said Said Said Said Said Said Sai
February 1-Marinal Hoss, 10p 145 2322 Art 51 52 8.8 May Noviests & Gen. 20p 137 80.9 12.3 12.8 28.257 — Do. Can. CS1 45.5 — — Art Do. 104, pcchiary 4 Harts 10p 142 51.3 8.00210 — Car. 5 February 107 27.1 18.25 13 8.00210 — Car. 5 February 107	orii 30-de raminopino forp
Name   Note   Company   Name	Mary Handway Grows   12   12   13   14   14   15   15   15   15   15   15
Jan Agril 17   14   14   14   15   15   15   15   15	intervent laws 500 265 gl 4.2 gl 4.3 gl 4 gl 4.9 gl 4 line. See Prince Dec R2 2 gr 50 gl 4.2 gl 4.3

į.

The second secon

in vi

.e.



Shand Ltd. Shand House, Matlock Derbyshire DE4 3AF Tel: (0629) 734441

#### £30m orders for Sunley

Contracts totalling over £30m have been swarded to BERNARD SUNLEY & SONS. Largest is in the Kings Rd, Reading, where St Martins Property Corporation bas swarded Sunley Projects a £7.46m contract to build new offices and flats. In Sutton Coldfield, Sunley has atarted work on construction of a new ward block to Good Hope Hospital valued at £4.35m, for the West Midlands Regional Health Authority. At Rochester Row, SW1, Sunlay has a £5.85m contract by Eagle Star Properties to build a six-storey office building together with three-storey residential accommodation. A £1m contract for the refurbishment of flats and common areas at Hereford House, North Row, London, W1, is being carried out, and in Harlow, work will abortly commence on a £2.7m contract to build retail stores and offices, both for Sunley Hoddings. Sunley Projects are also undertaking a £1.2m design and build contract awarded by PosTel for new units and offices al Knaves Beech, High Wycombe. Further contracts will commence shortly in Croydon and at the University of Buckingham. Sunley's special works division is engaged on a paediatric cardiac intensiva care unit at Guy's Hospital, valued at £0.12m, for the Lewisham unit at Guy's Hospital, valued at £0.12m, for the Lewisbam and North Southwark Health Authority and a number of further contracts currently in London include two contracts for Hilderon Investments, valued at £0.7m, for worka on Prebend Mansions and Raneiagh Gardens in West London, remedial works to flats at "Denwood," Inglemere, SE23, valued at £0.17m, for the London Parents of London President Conference of London Parents and L

### CONSTRUCTION CONTRACTS

### Cementation builds at Royal Navy and National Coal Board sites

Three CEMENTATION COMPANIES (Trefaigar House Group) bave orders together valued at £18.5m. This includes tons realigned.

The contract awarded to Cementation Construction by the Property Services Agency for RNAS Yeovilton.

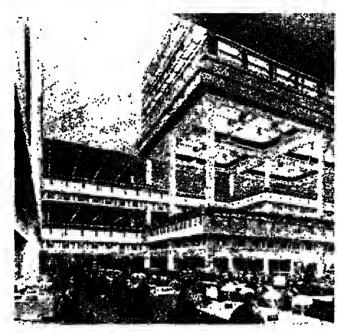
Cementation Mining has been warded three contracts by the National Coal Board in Yorkshire and North Derbysbire. The largest of these is at the North Selby mine for 1.676 metres arch droadways and 19 junctions to be constructed from the shaft linsets. In North Dsrbyshire, a further contract provides for 730 metres driveage of circular roadway and 2.415 metres of arched roadway at Shirebrook

Colliery. Nearby at Warson Colliery. Nearby at Warson Colliery. Nearby at Warson Colliery. Nearby at Warson Colliery. Sea will be formed from imported fit materials, with site works stim materials, with site works for two construction by the Comentation Construction by the Property Services Agency for RNAS Yeovilton, is for two hangers and auxiliary buildings Work starts acon on this £5.8m project, while construction of £1.8m Anglian Water Authority reservoir—account for a further station is already under way.

A further contract to Cementation Piting & Foundations' £4.3m contracts list is a £1.8m sub-contract for the construction of approximately to be built adjacent to tha Rumney Moors waste disposal site for Cardiff arched roadway at Shirebrook

Colliery. Nearby at Warson Colliery indicates of roadways will be formed from imported fit materials, with site works starting the landfill site will be formed from imported fit materials, with site works starting the landfill site will be formed from imported fit materials, with site works starting the landfill site will be formed from still materials, with site works starting to summers, starting the landfill site of two summers, starting the landfill site will be formed from still materials, with site works starting to summers, starting the landfill site of two summers, starting the landfill site of two contracts.—for married quarters at RNAD Coulport, Pr

#### **New British Library**



work is due to start on NORflats at "Denwood," Inglemere,
SE23, valued at £0.17m, for the
London Borough of Lewisham,
and the Mission Hall at Grove
Rd, E3, for the New Testament
Church of God.

\*

TILBURY CONSTRUCTION has
been awarded orders totalling
over £L.Sm. The largest is from
Buckinghamshire County Countilly
in of a sports and dining hall,
as well as alterations to existing
bulldings. Work has already
begun and is expected to last
for 21 months.

Work is due to start on NORWEST HOLST'S complex British
Library superstructure contract
at the beginning of March, With
a valus over £5m. the 18-month
a valus over £5m. the 18-month
a valus over £5m. the 18-month
a valus over £5m. the structural clear
frame of the main entrance hall
with a 20 metre internal clear
frame of the main entrance hall
with a 20 metre internal clear
frame of the main entrance hall
with a 20 metre internal clear
frame of the main entrance hall
with a 20 metre internal clear
frame of the main entrance hall
with a 20 metre internal clear
frame of the most challenging elements of the contract, as a complicated network
of angled tightweight concrete begins must first be constructed
before the sita cast lightweight concrete begins must first be constructed
before the sita cast lightweight concrete begins must first be constructed
before the sita cast lightweight concrete begins must first be constructed
before the sita cast lightweight concrete begins must first be constructed to form
for all above ground construction on the first stage
of the British Library project, which is dua to be completed before the sita cast lightweight concrete beams must first be constructed to form
for all above start, as a complicated network of angled tightweight concrete beams must first be constructed to form
for all above start, as a complicated network of angled tightweight concrete to form
for all above start, as a complicated network of angled tightweight concrete to form
for all above system will be installed. The superstructure forms the bulk of Work is due to start on NOR-WEST HOLST'S complex British represents one of the most Library superstructure contract challenging elements of the con-

#### City of London office project

The Corporation of the City of London and its project management consultant, Machurst, have awarded LOVELL FARROW CONSTBUCTION a £5.85m contract to build a seven-storey office building to be known as Guildhall House at 81-87, Gresham St, to provide about 41.000 sq ft of air-conditioned space. The new offices are a direct commercial development by the Corporation's private eslate.

The ground floor will be clad in granite. Above ground level there will be an ornale stucco reproduction of the facade of the building that previously occupied the site. This will be supported on atteel-frame with holiow rib decking and solid concrete floors. The roof will be a flot mansard with lead and slate elevations with, injeroatly, fibre plaster ceilings, raised floors and double glazing throughout.

Construction is to take place within an 87 week programme.

double glazing througbout.
Construction is to take place withio an 87 week programme. Durine the first 18 weeks, existing piled foundations are being broken out and archaeologists from the Museum of London are carrying out an investigation supported by a £70,000 grant from the Corporation. Evidence of structures of Roman and Medlaeval origin have already been found.

The property division of TRY CONSTRUCTION, Uxbridge, has two development schemes in the Home Counties, worth over £4m. At Tolpits Lane, Rickmansworth, Try is building two high tech pavilions and two single-storey warehouse units in a 40,000 sq ft scheme. In Church Rd. Croydon, four office units of about 2,500 four office units of about 2,500 sq ft each are to be built in traditional yellow stock brick to blend in with the surrounding buildings. The building work at both locations will be undertaken by W. S. Try.

### CREDIT SUISSE (BAHAMAS) LIMITED

#### CREDIT SUISSE

Notice to the Holders of the 41% US\$ Conv. Debentures 1976-1991 (Swiss Security No 643 025)

> and the 43% US\$ Conv. Debentures 1979-1993 (Swiss Security No 643 026)

and the 7% US\$ Debentures with Warrants 1983-1990 (Swiss Security No 642 955, No 643 232 for the Warrants)

OF CREDIT SUISSE (BAHAMAS) LIMITED

In compliance with the Trust Deeds constituting the above-mentioned Debentures and Warrants, Notice is bereby given that the Board of Directors of Credit Susse will propose to the General Meeting of Share-bolders to be held on March 20, 1986 that the present sbare capital of Sfr 1.850 Mio be raised to Sfr 1.850 Mio by the issue of 333,000 bearer shares of Sfr 500 nominal value and of 335,000 registered ahares of Sfr 100 nominal value.

Subject to the necessary approvals by the Credit Suisse abareholders and based on the resolution approved at the General Meeting of Shareholders of CS Holding as well as in conformity with the by-laws of CS Holding, it is proposed to offer for subscription

-to the holders of existing bearer shares:

one new bearer share of Sfr 500 nominal value inseparably linked with one participation certificate of Sfr 50 nominal valua of CS Hoiding, entitled to the 1986 dividend, for every 20 bearer shares of which is inseparably linked with one participation certificate of CS Hoiding, at a subscription price of Sfr 1,250 per new bearer share inseparably linked with one participation certificate of CS Holding.

—to the bolders of existing registered shares;

one new registered share of Sfr 100 nominal valua inseparably linked with one participation certificata of Sfr 10 nominal value of CS Holding, entitled to the 1986 divideod, for every 20 registered shares each of which is inseparably linked with one participation certificate of CS Holding, at a subscription price of Sfr 250 per new registered share inseparably linked with one participation certificate of CS Holding. with one participation certificate of CS Holding.

The subscription period for the new shares witi be from March 25 until April 7, 1986, at neon.

200,000 bearer shares of Sfr 500 nominal value and 200,000 registered shares of Sfr 100 nominal value will be issued at par. Holders of the existing bearer and registered shares will be invited to renounce their pre-emptive rights to such shares. Of the total registered shares issued, a total of 100,000 registered shares are to ba reserved for employees. Use of the bearer shares and the remaining registered shares at a future data is at the discretion of the Board of Directors.

Holders of the Credit Suisse (Bahamas) Limited 44% US\$ Convertible Debentures 1978-1991, 44% US\$ Convertible Debentures 1979-1993 and 7% US\$ Debentures with Warrants 1983-1990 who do not elect to exercise their right of conversion or exercise of the Warrants, respectively, will be compensated for the resulting loss of subscription rights to the share issue by an adjustment as described in the Terms and Conditions of the respectivalissue.

The present conversion prices for the Convertible Debentures and the exercise price of the Warrants are

—conversion price of US\$ 963.67 plus Sfr 50.— for one Debenture (US\$ 1.000 principal amount) of the 44% Conv. issue 1976-91, the price of Sfr 50.— representing tha par value of one participation certificate of CS Holding.

-conversion price of USS1,236.92 plus Sfr 50.— for one Debenture (USS 1,250 principal amount) of the 41% Conv. Issue 1979-93, the price of Sfr 50.—representing the par value of one participation certificate of CS Holding.

exercise price of Sfr 2,200.— per "Unit" under tha 7% USS Debentures with Warrants 1983-90. exercise nrice of the warrants will be adjusted effective April 17, 1986.

Holders of Convertible Debentures or Warrants wishing to convert their debentures or exercise their warrants in order to exercise their subscription rights for the share issue are invited to do so up to THURSDAY, MARCH 6, 1986, at the latest. Shares delivered upon conversion or exercise of tha warrants will not be entitled to the dividends payable in March 1986 in respect of the 1985 calendar year.

No Convertible Debentures can be submitted for conversion and no Warrants can be exercised during the period from Friday, March 7, 1986 until the publication of an additional Notice with regard to the adjustment of the Conversion Price and the exercise price of the warrants; it is expected that such Notica will be published in this newspaper on Thursday, April 17, 1986.

CREDIT SUISSE (BAHAMAS) LIMITED CREDIT SUISSE

February 24, 1986

### **Contracts and Tenders**

### INVITATION FOR BIDS (IFB)

**IDA CREDIT: 1445 UG** IFB No: MOW/3HW/TA01

1. The Republic of Uganda has received a credit from the International Development Association (IDA) in various currencies towards the cost of the Third Highway Project and it is intended that part of the proceeds of this credit will be applied for eligible payments under the present Contracts:

> Contract No. 1: Workshop Equipment and Tools Contract No. 2: Road Construction Equipment Contract No. 3: Road Maintenance Tools

Contract No. 4: Vehicles

Contract No. 5: Resealing and Compacting Plant

The Ministry of Works now invites sealed Bids from eligible Bidders for the supply of the above equipment, tools, vehicles and plant including spares, consumables and instructions to operators where required in the bidding documents.

Interested eligible bidders may obtain further information from and inspect the bidding documents at the office of:

Permanent Secretary/ Engineer in Chief Ministry of Works Republic of Uganda P.O. Box 10 Entebbe UGANDA

Carl Bro Int. A/S Consulting Engineers and Planners 8. Granakoven DK-2600 Glostrup DENMARK

Carl Bro Kenya Ltd. Marshaii House P.O. Box 46505

Cable: Miniworks— Entebbe—Uganda Telex: 61313 Work Uga Phone: (042) 20101 Cable: Cabrops Copenhagen Telex: 33472 Cabrop DK Phone: +452-96801t

Cable: Cabrops Nairobi Telex: 22322 Cabrop Phone: 2 2819t

A complete set of bidding documents may be purchased by any interested eligible bidder on the submission of a written application to the above addresses and upon payment of a non-refundable fee of US\$ 100 per each set bidding documents per contract. Payment to be by Bank Draft payable to "Ministry of Works, Uganda—Third Highway Project."

All bids must be accompanied by a security of 2% of the bid amount and must be delivered at one of the following two addresses:

> The Secretary Central Tender Board P.O. Box 3925 Kampala **UGANDA**

The Permanent Secretary/EIC Ministry of Works P.O. Box 10 Entebbe **UGANDA** 

on or before 12.00 noon on 21st April, 1986.

6. Bids will be opened in public in the office of the Central Tender Board, Kampala, Uganda, at 10.00 hours on 22nd April, 1986.

#### SYRIAN ARAB REPUBLIC

CALL FOR BIDS ANNOUNCEMENT N.(26)

Etablissement Public des Eaux de Pigoh (EPEF), El Noco: Street, Invites oubmission of bids, under sented cover, for the supply of 119 various types of electro oubmerable pumps with occessories and electrical switchboards. Mode of finance: This bid is financed from the Areb Fund for Ecomonic and Social Ocyclopment, Lean No. 28/67

- Aid Sond 130.000: One hundred and thirty shousand Syrion pounds - Performence Bond: 10% of owarded contract cost

- Validity period of the bid: 90 days as from the date of bids opening - Opily dalay poneity: 0.1%

--- Prices: Your price will consider as o final price and not subject to ony discount The exclusive agent (it eny) shall be registered with the Ministry of Economy and Foreign Trade, in the Foreign Companies Register

Prospective bidders shall submit their bids to the EPEF Secretary's Offico, accompanied with requested oupporting documents, together with requested his bond and a copy of EPEF bidding documents, each page of them duly signed by biddor

EPEF complete bidding documents made out in three languages are obtainable from Contracts Oppartment against payment of [250) two hundred and filty System pounds only, or about 65 dollars, to be paid to the Cashler against an official recopt coolline: Bids chall be occepted up to the end of official working ours [14 o'clock) on 20/3/88.

PRESIDENT OIRECTOR GENERAL ENG. RIOA MOURTAOA

ROYAUME DU MAROC

Manufact de l'Agriculture et de la Réforme Agrons Office Régional de Maie en Valeur Agricole du LOUIGICS MAS DE PRESELECTION INTERNATIONALE POUR LE CONCOURS HE2/16

Le Directour de COLRANYA du LOURIOS retroit pativite land 31 Milite 1986 6 18 hours, 8 desset pair le prédiction internationale des Bursous d'Endes pour : CELLABORATION DES ETUDES DE REORGANISTICH ET DE GESTION DES SERVICES DE L'OLLANDA. DIJ LOURIOS

OE L'O.R.M.V.A. DU LOUISIOS

Les travaux som à stricture dans la code se la coolegnon invanibre syratone, maracoine der la francoinement aut desuré pa la Krafficantel fur Wederaufbu (K.F.W.), République Fédérale d'Alteragne.

La dissent du cooccure des abtenu aux demande adminade à l'aux des missent munuries :

O.R.M.V.A. de LOUISIOS, R.P.48, KSAR EL KEBIR (MARICE)

Tales 33805 M., Téléphone (94) 8575 et (918157

Agence Nechrichten Für Ausschlandels information.
Rhamblique Föderdir d'Allemegne.
L'orignel du desser de prindecten der titre satenné à Monacer le Directeur de L'ORIVIA du L'OLIVIOS, et unt cape du dossier est à adresser de siège de lo IC.F.W. Poetfoch in vi.41, 5000 Frankfart de Mon 11, République Féderdie d'Ellesagne
Les Barstou d'Endes sélectionnés recevent per la autre le dosser de souvertage duracteure de l'Office Regional de Mises en Veleur Agrache du L'OLIVIOS.
LE Original de L'O.P.M.V.A.L.; SAFINE Monkred

Company Notices

#### **HONG KONG**

Simmons & Simmons announce that their Hong Kong office has now moved to:

2408 CONNAUGHT CENTRE, **CONNAUGHT ROAD CENTRAL,** HONG KONG. Tel: 5-212393 • Telex: 75888 SANDS HX

Fax 5-299705 14 Dominion Street, London EC2M 2RJ, and Regent Building, Boulevard du Regent 58, Bte 1, 1000 Brussels.

SIMMONS & SIMMONS

#### Legal Notices

IN THE MATTER OF ANDREWS & QUINSEY LTD. AND IN THE MATTER OF THE COMPANIES ACT 1848

THE COMPANIES ACT 1848

NOTICE 1S HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound tip, or required, on or belong the 27th day of February, 1986, to good in their full Christian and surnames, their addresses and descriptions. Itali porticulars of their dobts or claims, and the nonnes and oddresses of their Soticitore [II any), to the undursigned John Murray Thomson of Thomson Evens & Co., Richmond House, 135 High Sizent, Amblecoto, Stourbridgo, Wast Midfende, the Liquidator of the self Company, and, it so required by notice in writing from the soul Liquidator, so personolly or by their Solicitors, to come in and prove their debts or claims at ouch time and ploce so shell be specified in such notice, of in default hereof they will be secluded from the benefit of any distribution made belove such debts are proved.

Osted this 27th doy, of Janusry, 1988.

Liquidator.

#### Company Notices

U.S.\$75,000,000 GRUPO INDUSTRIAL

ALFA S.A.

FLOATING RATE NOTES DUE 1985
For the firmy monity interest period from 24th March, 1985, to 24th June. 1985, to the Notes will carry an interest rate of "n.a. and the Counon Amount per U.S.\$10.000 will be U.S.\$ FIRST BOSTON LIMITED Agent Bank

Clubs

#### CLASSIFIED ADVERTISEMENT RATES

3 lines) 3 cms) 11.50 8.00 12.00 Opportunities

ausiness for Bale/
Wanted
Personal
Motor Care
Hotiday & Traval
Contracts & Tonders
Book Publishere 11.50 39.00 9,00 9,00 9,00 9,00 11,50

Premium positions available £8.00 per single column em extra All prices exclude VAT
For turrher details write to: Classified Advertisement Manager

Financial Times 10, Cannon St, EC4P 4BY

### Miboc proposals strike right balance

ing Committee (Miboc), the panies which have tied agent body handling the marketing sales forces. aspects of investor protection, Abbey Life claims that the issued proposals for the control of life assurance and unit trust

commission disclosure would be required for independent inter-mediaries before final comple-

representatives. However, if there were an induary-wide voluntary com-missions agreement then inter-disclosure. mediaries remuoerated by this scale would need only disclose this fact—dubbed the "soft" disclosures. Otherwise they would bave to make a full, or hard, disclosure of commission received. received.

salesmen professing or imply-ing that they were independent satesmen professing or implying that they were not, and to reduce the temptation for intermediariea to recommend the contracts of a life company simply because they carried a higher than normal commission.

Last week Miboc was sorting through the responses to these proposals. None of the replies that have been published agree totally with the proposals. Many criticise aome asperts as no barsh or not going far enough.

The bard line of categorisation of salesmen came from the British Insurance Brokers' Association, the trade body of registered insurance brokers. Its members are already subject to regulations and it has been campaigning for ail salesmen or organisations professing to give independent advice to be regulated.

independent advice to be regu-

So it wants full polarisation with no middle ground whatever, thus swiping at its two bette notres—building societies

INSURANCE

WHEN a set of proposals is attacked from all sides, this can indicate either that it is unworkable or that it strikes about the right balance.

In December, the Marketing of Investments Board Organis-ing Committee (Wilson) the Co

proposals add up to a serious case of over-kill and will reduce salesmen and the disclosure of the total market for life assurcemmissions. These were:

That they should operate either as company representatives selling only the products

the total market for life assurce while providing insignificant improvements in Investor protection. It urges the retention of the middle ground.

of their host company, or as independent intermediariea. The supporters of tied agents claims that all that is necessary this was known as the purist is for the salesman to explain is for the salesman to explain clearly his role in that he only Miboc accepted that at deals with certain life compressed there was a variety of panies. Biba argues, bowever, people selling life assurance in the so-called "middle ground" who would not fit readily into more than one company.

The Association of Reitich

either category, such as accountants, solicitors, estate agents and smaller building societies. It sought views on whether some form of middle ground category could continue.

The Association of British Insurers, the trade association of insurance companies, takes a softer line, but nevertheless its message is clear. Existing ground category could continue, ance which can be adequately commission disclosure would be conficiled by conduct of businessing disclosure would be The Association of British its message is clear. Existing methods of selling life assurance which can be adequately controlled by conduct of business rules about not be uprolled overnight.

mediaries before final completion of a saie, but no disclosure would be required for company representatives.

However, if there were an However, if the How

On commissions, opinions vary from full disclosure to none at all. The fear associated with any disclosure is that the aize of the commission payment will frighten off clients, or lead eceived.

to negotiations for rebate of Milboc's aim was to slop part of the commission.

part of the commission.

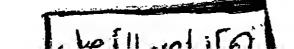
This is the argument used hy the Linked Life Assurance Group. It claims that the proposals will result in an imposed commissions agreement by default in contradiction to the Government's claim that it wants commission rates to be determined by the market.

In contrast, the Consumers' Association and the Office of

Association and the Office of Fair Trading wants full disclosure by all salesmen. The OFT asserts that the claims made that sales would fall if commissions were disclosed are exampled.

exaggerated. Biba accepts that company representatives should be exempt from disclosure on prac-tical grounds but not on principle. It wants the insurance companies to register total re-numeration levels for company

Since the proposals are obviously not unworkable, then judging from the wide range of the criticisms, Miboc has got il about right.



11)

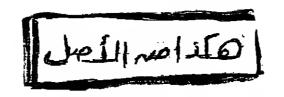
CANADA

TORONTO Feb.

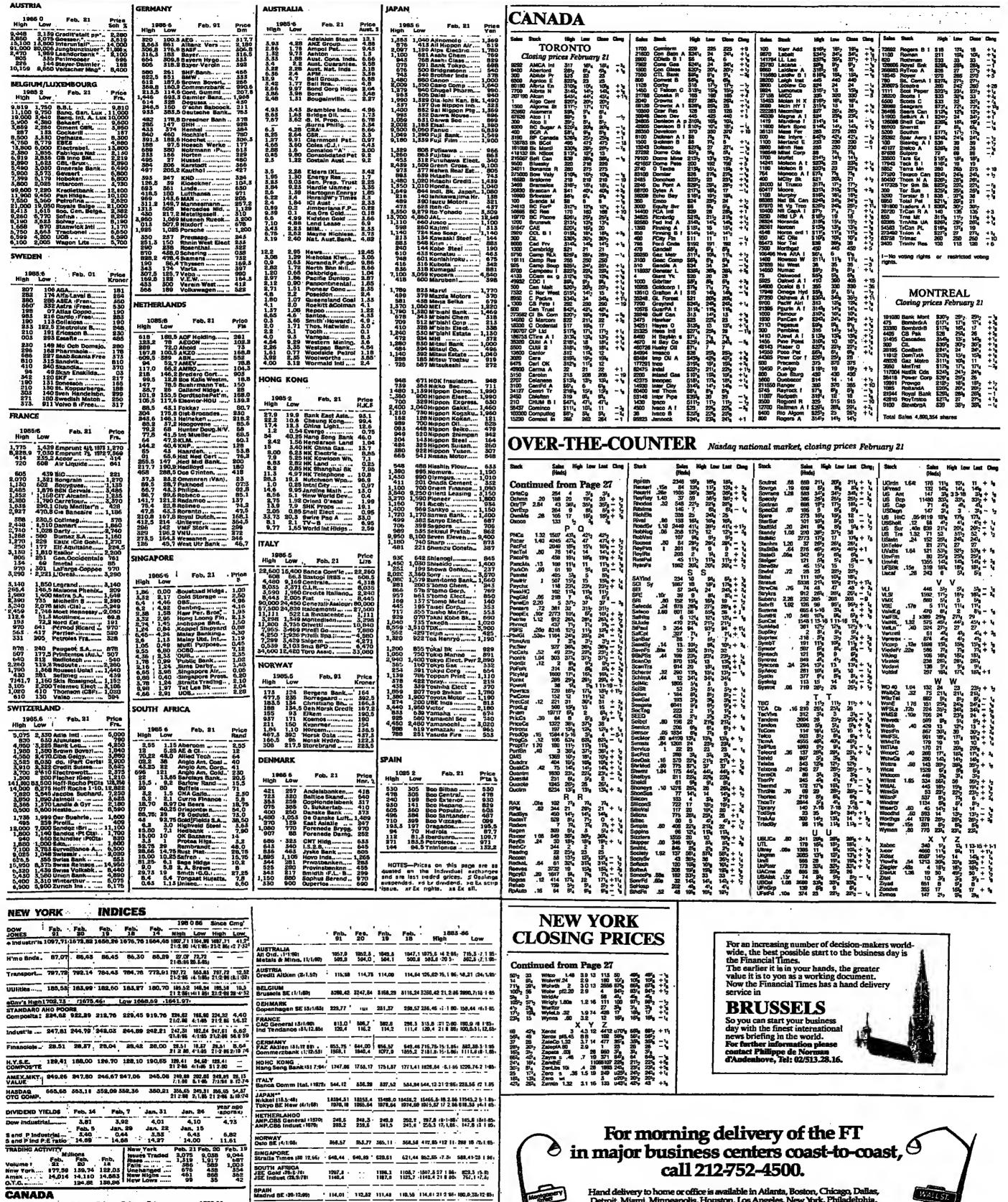
Feb. Feb. Peb. Fnb. 20 19 1B 17

| New York ACTIVE STOCKS | Change | Cha

136,39 136,32 135,72 165,46 153,75 142,87 17:12:85 117.0 (4.1 85)



#### WORLD STOCK MARKETS



C FTPublications, Inc. 1985

112,52 111,48 110,59 114,61 21 2 85: 180,0,38/12:85:

SWEDEN Boobson & P :31:12:56: 1886.47 1854.78 1875.61 1846.85-1907.25 0 1 86: 1285.32 :3 7) SWITZERLAHD Swiss BanhCpn:31112/561 571.1 667.3 ; 565.8 567.6 625.5 8 | 66 868.7 | 3 1 65

\*\* Saturday February 22 Japan Nikkai 13,433.21. TSE 1,072.17.
Base value of all Indices is 100, nicuet: Brussels 0E—1,000; 155 Cord—255.7;
JSE Industrial 254.3; Australia All Ordinary and Metals—500; NYSE Composite—50; Bitandard and Poors—10, and Toronto Companie and Metals—1,000, Teronte Indices based 1975 and Montreel Portfello 4/1/23. † Excluding bonds, † 400 industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed. u Unaveilable.

Hand delivery to home or office is available in Atlanta, Boston, Chicago, Dallas. Detroit, Miami, Minneapolis, Houston, Los Angeles, New York, Philadelphia, Pittsburgh, Seattle, San Francisco, Washington, Montreal, Ottawa, Toronto, Vancouver, Please call for details between 9am—6pm New York Time.

**FINANCIAL TIMES** 

Because we live in financial times.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES 5 THE RESIDENCE OF THE STATE OF NESOTI PI 4 6.7

NISMI 8 .02 24 16

NISMIN 96.0

NISMIN WIA

NAV WIB

NAV PID

NATOD .64 66 9

NerCO .64 7.7 11

NerP PI 1.95 9.6

NerSO .64 7.7 11

NerP PI 1.95 9.6

NERGES .64 7.7 11

NERE PI 1.95 9.6

NERGES .65 1.7 8

NERGES 18 45% 1900 39 57 413% 17 26% 1870 482% 12 35% 25% 12 35% 16° g
47° g
18° g
16° g
16° g
17° g
10° g
10° g
13° g
15° g
15° g
15° g
15° g
15° g
15° g 

Financial Times Monday February 24 1986

The control of the co	Hall Hall Hall Hall Hall Hall Hall Hall	NYSE COMPOSITE CLOSING PRICES	AMEX COMPOSITE CLOSING PRICES Closing prices, Pebruary 21
12% 74 FBC/99 30 3.01 + 1 59 30 10 10 + 1 59 30 10 10 + 1 59 30 10 + 1	New Year   19   19   19   19   19   19   19   1		Langer degrate, degrate, descriptions, and provide the control of

### CURRENCIES, MONEY and CAPITAL MARKETS

**CURRENCY FUTURES** 

POUND-\$ (FOREIGN EXCHANGE

Close 1.4440 1.4295 1.4170

CHICAGO

J.S. TREASURY BONDS (CBT) 1% \$100,000 32nds of 100%

85-07 84-24 84-12

84-04 83-21 83-08

Spot 1-mth, 3-mth, 6-mth, 12-p 1,4470 1,4412 1,4314 1,4167 1.3 LIFFE-STERLING £25,000 \$ per £

#### FOREIGN EXCHANGES

### Mood changes as fears grow

BY COLIN MILLHAM

The mood on the foreign exchanges began to change towards the end of last week. Since the Group of Five meeting in New York in late September the dollar has been on a downward course, encouraged by the tending months is months. foreign £ IN NEW YORK US authorities and central banks in general.

The market fears this process may be coming to an end, but cannot yet see the level at which the dollar will stabilise.

Politics has become such a dominant force that dealers simply react to every comment and statement coming out of Washington and Tokyo. It is noticeable that much less protected before the of US statistics. being taken of US statistics

Officials appear to agree that he US trade deficit must be cut at reached a record \$17.4bn —it reached a record \$17.4bn in December—and that it would be desirable to have lower interest rates around the world. But here the agreement ands and that different branches of the executive have different ideas on what shauld happen next. The two camps divide between the finance ministries in Washington and Tokya an one side and the central banks on the other.

On the ather hand Mr Paul Volcker. US Fedaral Resarve Board chairman, in an address to Congress last week, warned This is a classic example of

agnt ts govern,	and cent	TOT DATE	to Cong	1692 1420
CURRENCY	MOVE	MENTS	OTHE	R CURF
Fob. 20	Bank of England	Morgan Guaranty	Feb. 81	£
		Change %	Arg'tina	1.1568-1.15
terling	74.5 119.2	-17.1 +10.0	Aus'alla	8.0530-2.05 19,260-19,8
l.8. dollar	79.4	111.7	Finland_	7.52 0.7.53
ustrian schilling -	190.1	+6.9	Oleace	904.98-205.
leigian franc	94.2 84.9	8.4 1.8	H' Kong -	11,2826-71,305 117,0°
eutscho mark	135.5	+13.9		0.4105 0.41
wiss franc	184.2	+14.4	Lux'berg	68,65-68,6
ulider	193.2	+8.2	Malaysia	3.5775-3.68
	71 7	10.		

(page s	verage 1976=10	M).	· Selling in	8 <b>10</b> -		
P	DUND SP	OT-FOR	WARD AG	AINS	F POUN	•
Feb 21	Day's spread	Close	One month	% p.o.	Three months	74
US	1.4370-1.4510	1.4465-1.4475	8.53-0.50c pm	4.27	1.59-1,54 pm	4.3
Canede	2.0010-2.0120	2.0068-2.0096	0.01-0.13c dis		8.37.0.19 pm	2.5
lethind.	3.764-3.784	3.77-3.78	23-17-C pm		6's-0 pm	9.4
Selglam	66.05-68.65	68.56-68.65	16.9c pm	2.18	37-27 pm	1.86
Denmark	12.283-12.35	12.283, 12.293	43-4ore pm		124-114 per	3.8
raland	1,1035-1,1099	1.1044-1.1064	8.50-0-20p pm	2.90	1.45-0.65 pm	3.90
W. Ger.	3.324-3.35	3.3312-3.3412	24-2pf pm	7.63	65-63 pm	7.7
ortuge	217.21-220.67	218.83-220.50	260-550c dis			18.7
peln	209,89,210.96	210.02-210.38	20c pm-20 die			-1.6
wly	2256%-2280%	2279%-2280%	7-10tira dia			-5.70
Norway	10.373-18.45	10.40-10.41	h-hore dis			-8,7
TARCO	10,194-12,284	10.251,-10.261,	o pm-, dis			-1.40
Sweden	10.583-12.64	10.582-10.583			24-14 pm	9.80
ADBIT	2631-26614	2647-2667	1,32-1,19y pm		4.16-3.96 pen	6.18
Lustria	23.34-23.52	23.34-23.39	11%-10% gro pm		35-31's pm	8.84
witz.	2.78 2-2.80	2.791-2.801-2	2-13-c pm	8.03	6-5% pm	B.3
	Belgian rate la	for convertible	france. Financia 291c pm. 12-m	i franc	69.0b-v9.15.	

O-Mark Franch Franc	3.34 10.26 2.80 254.76	1.4419 3.3793 70.2640 2.7813 263.48	7.4314 3.2766 10.2940 2.7420 260.69	1.4187 3.2200 18.3060 2.6918 256.92	1.3971 3.1170 10.3350 2.5995 250.25
EMS EUROPEAN	CUPI	PENCY	HINIT	RATES	

	Ecu control rates	amounts against Ecu February 21	from central rate	% change adjusted for diverpence	Divergence
Beigian Franc	44,8320	44.3140	-1,19	+1.18	±1.6425
Osnish Krono	8.12857	7.98497	-1.77	+2.57	1.6421
Gorman D-merk	2.23B40	2.16403	-3.32	-8.96	土1.1465
French Franc	8.96402	5.64441	-3.20	-0.86	····1.3664
Outch Guilder	2,52208	2,44475	-3.07	-0.73	土1.5762
rich Part	0.724578	0.715601	-1.24	+1.10	+1.6673
Italian Lira	1520.60	1472.0	-3.20	-2.1B	±4.0856
		cu, therelose			

of a "debilitating and self-defeating cycla of external depreciation and internal infla-Feb. 21 Prev. close £1,4545-1,4565 21,4500-1,4516 0,52-0,91pm(0,51-0,49pre 1,59-1,88pm(1,53-1,49pm 5,02-4,92pm(4,98-4,90pm

This left the market in little doubt about Mr Volcker's view about a further fall in the dollar and a cut in the US discount rate, to stimulate the economy. Mr Satoshi Sumita, Governor of the Bank of Japan, obviously fears overtheating in the Japanese economy, telling parliament last week the central bank was not considering a cut in the discount rate at this time, and was still assessing the results of the last reduction in January. governars asserting their right to independence.

Mr James Baker, US Treasury Secretary. argues that the weaker dollar will stimulate industrial autput, and cut the trade deficit. Mr Noboru Takeshita, Japanese Finance Minister, tends to agree, because he fears the protectionist labby in the US Congress will gain the upper hand, unless the trade imbalance in favour of Japan is trimmed back.

At the same time, mindful of

The German Bundesbank has similar misgivings about cutting interest rates. The economy is forecast to grow by 4 per cent this year, and inflows into the D-mark have already put upward pressure an maney supply. At the same time, mindful of criticism at bome from the rise of the yen, Mr Takeshita has called for a cut in the Bank of Japan's discount rate, and has given consideration to easing regulations on capital outflows. This would further extend the process by which the US buys Japanese goods, and Japan buys US Government debt to provide finance. Rather than cut interest rales, and fuel inflation, the changing and rule imation, the charging mood in the market indicates fear the Bank of Jspan and Bundesback will intervene if dealers try to establish a trading range for the dollar below Y180 and DM 2.30.

Y180 and DM 2.30.

The reason interventian has not siready occurred must be partly fear af the reaction from the Reagan Administration, but at least the central banks, including the Federal Reserve, would all be in agrement. **CURRENCY RATES** 

Sterling .... U.S.# ..... Canadian &

DOLLAR SPOT-FORWARD AGAINST DOLLAR

Spread Closs One month:

1.4510-1.4370 1.4465-1.4475
1.2965-1.3975 1.3075-1.3085
1.3870-1.3973 1.3675-1.3878
1.3870-1.3921 1.3673-1.3878
2.6910-2.6295 2.6965-2.6106
47.20-47.85 47.25-47.45
2.4995-2.3900
151-1614
151-1514
151-1515
151-1515
165.5.1833.5 1575-1576
7.18-7.26
7.18-7.26
7.18-7.26
7.18-7.27
12-1.518-4.00
182.16-184.40
182.16-184.40
182.16-184.40
182.16-184.40
182.16-184.40
182.16-184.40
182.16-184.40
182.16-184.40
182.16-184.40
182.16-184.40
182.16-184.40
182.16-184.40
182.16-184.40
182.6-182.50
182.16-184.40
182.6-182.50
182.16-184.40
182.6-182.50
182.6-182.50
182.6-182.50
182.6-182.50
182.6-182.50
182.6-182.50
182.6-182.50
182.6-182.50
182.6-182.50
182.6-182.50
182.6-182.50
182.6-182.50
182.6-182.50
182.6-182.50
182.6-182.50
182.6-182.50
182.6-182.50
182.6-182.6
182.6-182.50
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6
182.6-182.6

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the Individual currency. Belgian rate is for convertible frances. Financial france 47.70-47.80.

EURO-C	EURO-CURRENCY INTEREST RATES							
Feb. 81	Short term	7 Days notice	Month	Three Months	Six Months	One Year		
Sterling	1212-13 8 4-5 2	195g-1934 712-715 195g-127g 513-512 85g-87g 412-45g 87g-81g 1812-1712	18/4-18/3 778-8 18/2-1834 5/4-5/2 4-4/6 4/2-459 18-10/6 17-18	1918-1956 778-8 1119-1114 511-518 318-416 4-1-4-18 1314-14 1714-18	19-18-18-18-18-18-18-18-18-18-18-18-18-18-	11/2-12 8-8/2 10/3-10 6/1-6/2 5/2-4 4/2-46/2 12-18/1 16/2-16		
B.Fr.(Fin) B.Fr (Con) Yen D. Krone Asian \$ (Sng)	934-10 e14-934 012-658 7-714 778-8	91g.95g 93g.121g 615-615 71g-8 71g-8	96g-87g 10-10J <sub>2</sub> 6-7-61 <sub>2</sub> 77g-83g 77g-8	950-870 1016 1058 677-618 816-854 778-8	24-956 934-1216 576-5 84-834 778-8	9-914 218-968 554-578 814-854 8-818		

Long-term Eurodolisms: two years 8<sup>t</sup>1, 8<sup>t</sup>2 per cent; three years 8<sup>t</sup>1, 8<sup>t</sup>3 per cent; r years 8<sup>t</sup>2.5 per cent cominel. Short-term rates cell for US Collars and Japanese Yea; others, two days' notice.
† Correction 2 — 0 Guilder rates for Fab 20 wers; 5H 5<sup>t</sup>1-5<sup>t</sup>2, 70 5<sup>th</sup>2-5<sup>th</sup>3, 5th 5<sup>th</sup>3-5<sup>th</sup>3, 3th 5<sup>th</sup>3-5<sup>th</sup>3, 6th 5<sup>th</sup>2-5<sup>th</sup>3, and 1Y 5<sup>th</sup>3-5<sup>th</sup>3.

**NEW YORK** 

(4 pm)

#### **MONEY MARKETS**

### Rates ease but caution remains

Interest rates fell on the London money market last week. Dealers were encouraged by the strength of sterling sgainst all currencies, but particularly the dollar, and were also pleased with the January UK public sector borrowing requirement. sector borrowing requirement.

Seasonal tax payments make
January a good month for the
PSBR, but City economists were
expecting a repayment figure of
less than half the published
\$4.5bm. A PSBR for the full
financial year about fibm less
than the Government's target of
\$25bm is now a strong possibility.

This was the third time the
experts had been pleasantly
confounded this month, following surprises over the monthly
money supply figures and currency reserves.

UK thearing banks base lending rate 12} per cent since January 9

optimism shout the direction of London interest rates, but did no more than build up bapes that the next move in base rates would be down, rather than up.

Three-month interbank fell from 12½ per cent to 12½ per cent, bafore firming again towards the and of the week, as sterling eased back against a recovering dollar.

Dealers will have the Budget on March 18 in mind as a likely time for lower base rates, but the authorities are likely to remain very cautious. A rise in the value of sterling against the dollar, at a time of falling oil

WEEKLY CHANGE IN WORLD INTEREST RATES

LOHDON	Feb. 21	change	NEW YORK	Feb.	91 change
Base rates	181e 188	Unch' d	Prices rates	91g	Unch'd
7 day interbank Seth interbank	10分	_2	Federal funds 3 Mth. Treasury Olik	73	+0.28
Treasury Bill Tender	19,0290	-0.0446	O Mth. Treasury Bills	7.46	+0.38
Band 1 Bills	1235g	Unch'd	5 Mth. C O	7,87	-0,03
Band 2 Bills	12.3	Unon d			;
Band 3 Bills Band 4 Bills	,124 1124		, FRAHKFURT Lombard	5.5	Unah'd
3 Mth. Transury Oilis		i-q	One Mth. Interbank	4.25	-0.078
1 Mth. Bank Bills	126	Unch' d	Three month	4,425	-0.06
8 Mth. Bank Bills	124	-10	PARIS		1
току0	:	1	Intervention Rate	Въ	-14
One stouth Bills	5,96875	-0.0825 -0.198	One Mth. Interbank	654	—tg
Three month Biffs	3.50020	-0.150	Three month	elf.	
BRUSSELS	l		MILAN		į.
One month	254 954	Onen'd	One month	174	non.q
Three reonth	. m-4		Three month	164	+ 10
AMSTERDAM			DUBLIN		í
One month	-63 <sub>4</sub>		. One month : Three month	' -	, –
Three month	10-4	when a	: Tutes mened		1 -

London—band 1 bills mature in up to 14 days, bend 2 bills band 2 bills 34 to 63 days and band 4 bills 64 to 81 days. Re

MONEY RATES

Feb. 91	OVI night	One Month		Three Months	Six Months	Lorsbard In'v'ntion
Paris	7g-11g 5g-11g 5g-0 6,71875	8% 8% 8% 4 5% 5!! 6.96878	4,35-4,45 8 <u>1</u> ,-811 —	638-84 678-4 634-512 5.90625	, 8 <del>16-818</del>	8.5 8 <sup>1</sup> 8
Mian	10.10	958-979	"	16-164g 95g 97g	Q1e-Q19	Ξ

prices, reduces government revenue from the North Sea. Opec ministers meet to review the oil situation on March 15. Striling has not reacted to last week's fall below \$15 a barrel, but if the tiollar stabilises market attention may switch to the neural Cuts in

switch to the pound. Cuts in bank base rates and falling oil prices are not a recipe for a strong UK currency.

BANK OF ENGLAND TREASURY BILL TENDER Feb. 21 | Feb. 14 £100m £100m 12.85502 12.113221 rags yield.......15,700 gunt on offer enext tender... £100rs £100m 89,392 399,392 100%

FT LONDON INTERBANK FIXING

(11.00 a.m. Feb. 21; Three months U.S. dollers bld 77/8 offer 8 reference banks et 11 s.m. each rking day. The banks em National staineter Sank, Sank of Tokyo, nachs Sank, Benque Mationals de la and Morgan Guamnty Trust The fixing mits are the erithmetic means, counded to the nearest one-streem, of the bid and offered rates for \$10m quoted by the merket to

LONDON MONEY RATES

Feb. 91	Over night	7 days notice	Month	Three Months	Stx Months	One Year
interbank Sterling CDs Local AuthorityDe pos	-	· — ~	1256-1834	124 124	1179.12	11/8-12/6 11/4-11/8
Local Author'y Sonda Discount Mkt Depos	10-1212		19/6 15/6 184	191 <sub>8</sub> 197 <sub>9</sub> 124	121s 184	11代
Company Depos Finance Hae Depos Treasury Bills (Buy)	1212-15	1276-15	1879 12 <del>11</del> 123	194 194 194	12-3	12
Bank Bills (Buy) Fine Trade Bills(Buy)		=	194	121-124	1212	Ξ
SDR Linked Depos EGU Depos	Ξ	=	7.75-7.80 714 514 914-954	81g-85g	712-8-4	7.95-8.00 734-8 21 <sub>8</sub> -934
Treasury Billa (se	ti): ens-n	nonth 12%	per cent	: three-me	onthe 12	per cent.

r cart, call sutherity and Finance Hosses seven days' notice, other seven days' fixed, sance Houses Base Rates, 122 per cent from February 1 1985. Bank Captest Rate r sems at saven days' notice 8 5% per sent, Certificates of Tax Deposits (Sertes Osposite £100,000 and over held ender one reonth 122 per cent; one-three with 124 per cent; three-se months 122 per cent; six-nine months 128 per cent; three-se months 129 per cent; six-nine months 128 per cent; promits 124 per cent; from February 18, posits held under Berias 5 129 per cent. Deposits withdrawn for cesh 79 per cent.

Strike Call often March 90.50 2.10 90.50 1.50 91.00 1.12 91.50 0.80 92.00 0.15 92.50 8.00 97.00 82.00 Previous day's open in LIFFE E/S OPTIONS 25.000 (cents per E1) 8/Barch April May June Sept 24.82 — 24.82 — 24.82 — 19.82 19.82 19.82 14 Close High Low Prev 0.4345 0.4345 0.4306 0.4345 0.4382 — 8.4383 83-08 82-25 82-12 7.00 2.80 LONDON 151.30 149.50 149.30 153.00 151.50 151.05 92.04 92.07 91.87 91.77 91.55 91.34 91.14 THREE-MONTH STERLING High 87.81 88.56 89.05 89.39 89.54 89.52 88-14 26-07 87-17 87-09 **EXCHANGE CROSS RATES** 

0.975 1.410 8.865 258.0 10, 2.729 8.889 2022, 1.967 86.86 2.357 0.517 1.195 94.65 3.664 1, 1.549 814.2 0.717 24.50 0,266 2,363 0,884 70,09 2,716 0,741 1, 802,5 0,532 18,16 0,439 0,635 1,468 116,1 4,500 1,238 1,657 1000, 0,881 30,09 2.496 2.721 1.663 131.8 8.109 1.456 2.109 4.869 386.9 14.96

This notice complies with the requirements of the Council of The Stock Exchange and does

A \$50,000,000

Financial Times Monday February 24 1986

Eurobonds - DM Bonds - Schuldscheine

the Landesbank, Head Office, F.O. Box 1128, 4000 Dilger Bond Trading and Sales: Jelephone 8 26 31 22/8 26 9741

Westdeutsche Landesbank

for dealing prices call

Marketmakers in Deutschmark Bonds West LB

Crédit National

In accordance with the description of the Notes, notice is hereby given that for the third interest Pedod from February 20, 1986 to August 20, 1986 the Notes will carry an interest rate of 8.05% per annum

US\$ 500,000,000 ed Floating Rate Notes due 2000

est payable on the relevant interest Payment Data August 20, 1986 against coupon n°3 will be US\$404.74 per Note.

KREDIETBANK

S.A. LUXEMBOURGED

Insurance &

TEL: 01-248 8000, EXTN 4063

**Insurance Broking** 

For details of advertising rates please contact: NIGEL PULLMAN, BRACKEN HOUSE, 10 CANNON STREET, LONDON ECAP 4BY

The Financial Times proposes to publish a survey

on the above subject on Wednesday 16th April 1986, prior to the BIBA conference in Nottingham.

Publication date is subject to change at the discretion of

■WestLB:

### THE TORONTO-DOMINION BANK

the Editor.

not constitute an offer of, or invitation to subscribe for or purchase, any securities.

(a Canadian chartered bank)

14%% Deposit Notes Due March 4, 1989

The following have agreed to purchase the Notes:

Salomon Brothers International Limited

Algemene Bank Nederland N.V.

Banque Bruxelles Lambert S.A.

**Dominion Securities Pitfield Limited** 

McLeod Young Weir International Limited

**Nomura International Limited** 

Swiss Bank Corporation International Limited

**Bank of America International Limited** 

**Dalwa Europe Limited** 

**EBC Amro Bank Limited** 

Morgan Stanley International

**Orion Royal Bank Limited Toronto Dominion International Limited** 

Wood Gundy Inc.

Application has been made to the Council of The Stock Exchange for the Notes, issued at a price of 100½ per cent., to be admitted to the Official List. Interest on the Notes, calculated as set out in the Listing Particulars dated February 21, 1986 is payable annually in arrears.

The first payment falls due on March 4, 1987.

Listing Particulars relating to the A \$50,000,000 14%% Deposit Notes Due March 4, 1989 of The Toronto-Dominion Bank are available in the Extel Statistical Service and copies may be obtained during usual business hours up to and including February 26, 1986 from the Company Announcements Office of The Stock Exchange and up to and including March 10, 1986 from: The Toronto-Dominion Bank

Triton Court 14-18 Finsbury Square London EC2A 1DB

Cazenove & Co. 12 Tokenhouse Yard London EC2R 7AN

February 24, 1986

TO THE HOLDERS OF

THE LTV CORPORATION SUBORDINATED EXCHANGEABLE VARIABLE RATE NOTES DUE AUGUST 15, 1995

Notice is hereby given that the interest rate to be paid on The LTV Corporation's Subordinated Exchangeable Variable Rate Notes for the period February 15, 1986 through May 14, 1986, as determined in accordance with the provisions of the iodenture, is 10.58% per annum.

CORRECTION NOTICE EUROPEAN ECONOMIC COMMUNITY — E.E.C. US\$75,000,000 10}% 1983/1995 Bondholders are bereby informed that the US\$7,500,000 instalment due for amortisation on Merch 74, 1996 has been mat by a drawing by lot in presence of Medams Jeanes Housse, public nota y in

Jesnae Houses, public notaly in Luxemboarg.
Consequently the 7,500 bonds of US\$1,000 numbered 7292 to 15438 inclusive, will be redeemable at per, coupons on March 24, 1997 and subsequently statisfied, as from March 24, 1985, date at which they will cease to bear interest. Redemption of bonds and paymont of interests will take piece on March 24, 1998 at the following beauty:
Credit Lyonnais, Luxemboarg — Banque Internadonals a Luxembarg anding amount after this first

CORRECTION NOTICE

**RepublicBank Corporation** 

US\$150,000,000 Floating Rate Subordinated Notes Due 1997

> For the three months 20th February, 1986 to 20th May, 1986 the Notes will carry an interest rate of 81/9% per annum with an interest amount of US\$200.87 per US\$10,000 principal amount of Notes, payable on 20th May, 1986.

Company London Bankers Trust

Agent Bank

### **SECTION III** FINANCIAL TIMES SURVEY

## NIGERIA

With oil prices at recent lows and the national economy in recession, Nigeria faces one of its most testing years since independence in 1960

### Debt crunch ahead

By MICHAEL HOLMAN

Africa Editor

ment in Nigeria's turbulent 25

FOUR YEARS after the slump in international oil prices first began to take its toll on Nigeria, the crunch is now upon Africa's most populous nation and one of Europe's most important trading partners on the continent.

Margins for manoeuvre have been steadily eroded. Creditors will not allow a further accumulation of trade arrears (now some \$5-6bn), a form of enforced borrow-ing which has allowed the Government to meet medium and long-term debt servicing commitments. Industry is now coming to an end of the run down in stocks; plant and equipment need replacement; and the sector is operating at barely 30 per cent of capacity.

The drastic cut in import levels from a peak of \$21bn in 1981 to a forecast \$7bn this year has pruned the supply of essen-tial raw materials and equipment almost to the limit. On top of all this comes the recent dramatic slump in the price of oil, which accounts for over 95 per cent of export carnings.

lal J

..... "Y

ANK

The uncomfortable fact that faces the Military Government of President Ibrahim Babangida is that unless agreement is reached to reschedule the country's crippling \$19bn external debt, it will almost certainly be forced to default in the coming year.

The Government's willingness to consult the public on most major issues, which is one of its most attractive features, has also left it more vulnerable than any military government's willingness to consult the public on most major issues, which is one of its most attractive features, has also left it more vulnerable than any military government's willingness to consult the public on most major issues, which is one of its most attractive features. of President Ibrahim Babangida the coming year.

ment in Nigeria's turbulent 25 ope of the most sensitive issues opinion. And there iles the construction in Nigeria's today—the International Monetary Fund (IMF) in the country's follow through the conomic reconstruction precession precondition to rescheduling a agreement with the fund is an agreement with the fund is a precondition to rescheduling. But so passionate was the public rejection of such a role, discussed in a one sided find a commodation with the latter supporters?

Ment in Nigeria's turbulent 25 three tribunals are looking into the cases of those still held, or who were convicted of corruption by military tribunals on the basis of sometimes continues the cases of those still held, or who were convicted of corruption by military tribunals on the basis of sometimes scanty evidence.

The President himself takes advice from a wide range of people—businessmen, civil as precondition to rescheduling. But so passionate was the form of accommodation with public rejection of such a role, discussed in a one sided in the latter supporters?

The President himself takes advice from a wide range of people—businessmen, civil leagues. His own experience of the fact that he has played a continue form of accommodation with protects from government is not inconsider the fact that he has played a continue form of accommodation with the fund is close associates point nut its form his membership of the Snpreme Military Council which ran Nigeria from 1975 and the cases of those still held, or who were convicted of corruption by military tribunals on the basis of sometimes to 1979, as well as serving on the Salfon which ran Nigeria from 1975 and the content of the most striking from his membership of the Snpreme Military Council which ran Nigeria from 1975 and the protess from 1975 and the protess from 1975 and 1979, as well as serving on the Islamic Conference of the Snpreme Military Council which ran Nigeria from 1975 and the protess from 1975 and 1979, as well as serving on the Islamic Conference of the most striking f

President Babengida has ful-filled the promises he made when he and fellow officers overthrew General Muham-madu Buhari in a hioodless coup on August 27. A government which was intolerant of eriticism, harsh in its attitude to human rights, and which muzzled the press, has been replaced by an administration whose watchwords have been public consultation and access-

The result has been a transformation in the national mood from one of resignation to a lively sense of partici-pation, despite the enormity of the problems under discussion, part of last year, that President in the process of government, Rabangida announced the sus- encouraged by a press which pension of negotiations with is freer and more vigorous than Babangida announced the sus-pension of negotiations with the IMF in a public broadcast any in black Africa.

Many detainees held on dubious or unproven grounds by the past administration have been released, the excesses of the National Security Organisation carbed, and no less than three tribunals are looking into the cases of those still held, or who were convicted of corruption by military tribunals on the basis of sometimes

IN THIS SURVEY Political scene: foreign policy; presidential interview; debate on civilian rule; religious issues; regional distinctions Pages 2-4

**PartOne** 

Economic prospects: capital markets; debt rescheduling; IMF debate; exchange rates; foreign investment; corporate profits and banking

Industry: struggle for raw materials; tahour issues; motor industry; imports sub-stitution; export incentives; textiles; cotton; the con-struction industry Pages 11-15

The social scene; politics in print ...... Page 16 print ..... Part Two of this survey, which appears next Monday, March 4, will include major features on trade, oil, agriculture, and aspects of doing basiness in Nigeria.



quelling the short-lived coup attempt in 1976 when General Murtala Muhammed lost his life, and in 1983 when he could, had he wanted, have led the Military Government which overthrew Shehu Shagari.

"Dn not underestimate the President's shrewdness," notes one observer, "that lies underneath his amiable exterior."

It is the President's personal authority and popularity that has so far allowed him to push through measures which would otherwise. otherwise have provoked an outcry—such as the cut in civil servants and defence force wages, a 20 per cent cut in overall defence spending, and a budget which among other measures slashed the subsidy on domestic petroleum.

Yet if the Government rates highly on a check list which includes human rights, press freedom and accessibility, there are a number of disconcerting developments which have aroused concern, and which create the impression of a government less certain in its

Gowon in 1975, in controversy where none had the short-lived coup existed before. But the way in in 1976 when General which the decision to join was taken puzzled many Nigerians, who first learnt of the development in a report by a foreign news agency which initially was denied by a senior member of the Armed Forces Ruling Council (AFRC).

The country still awaits a The country still awaits a definitive account of the matter, which may be provided by a panel due to report later this month. Whatever its findings, the Government has severely dented its reputation as an administration which constitution to the constitution of the sults the country on important

Equally puzzling was President Bahangida's announce-ment earlier this month of an impending cabinet reshuffle which he did not implement for four days. The moves, when they came, were not self evidently of benefit.

Four months after his appointment, barely two weeks after the budget the minister of finance, Dr Kalu Kalu was shifted to planning, and the Petroleum Minister, Professor Tam David West was moved to Mines and Steel, at a time of turbulence in the international oil market.

Nor has confidence been inspired by the handling of Nigeria's counter-trade deals in which oil was swapped for goods. The policy, severely criti-

CONTINUED ON PAGE TWO



• NIGERIA'S NEW PRESIDENT, Maj. Gen. Ibrahim Babangida, above, and behind him the seven other leaders of the nation since independence. These leaders (from left to right) and the years they came to power were; Sir Abubahar Trifawa Balewa, 1980. killed in a compter-conp; Maj. Gen. Johnson Agulyi-Ironsi, 1966, killed in a counter-conp; Maj. Gen. Yakubu Gowon, 1966, later deposed; Gen. Murtala Ramat Muhammed, 1975. assassinated in 1976; Lt. Gen. Olusegun Obsanjo, 1976; Albaji Shehn Shagari, 1979, deposed in 1983; Maj. Gen. Kuhummadu Buhari, 1982, deposed August, 1985.

### **United Bank for Africa Limited** —the most preferred bank for business with Nigeria

Many foreign banks, corporations, exporters and investors who have done business with Nigeria prefer to channel their transactions through United Bank for Africa. This preference is a testimony to the good services they have obtained from trained and seasoned staff in the specialised departments of our International Division in Lagos and our branches throughout Nigeria.

These services include information on business opportunities and credit, opening of Letters of Credit, processing of bills for collection, money transfers, advice and guidance on local regulations and customs and a lot more.

Through our New York Branch, our Representative Office in London, and our close links with over 200 major banks around the world, we are able to provide prompt assistance to organisations, government agencies, parastatals and private business - in their financial transactions in these centres. We are also well positioned to offer better service to business people, companies and banks who are considering doing business or investing capital in Nigeria and the West African sub-region.

It makes sound business sense to channel all your business in Nigeria through the United Bank for Africa - the most preferred bank for business in Nigeria.

			OR AFRICA LIMITED S AT 31ST MARCH, 19	985	
Liabilities March 31st	1985 N'000	1984 N'000	Assets Merch 31st	1965 N 1960	1984 N'000
Capital	75,000	75,000	Cash and Banks	2,987,546	1,669,947
Reserves	134,093	109,600	Investments	72,744	68,366
Deposits etc.	4,319,600	3,114,546	Loans & Advances etc.		1,560,833
Contra Accounts	910,626	740,411	Contra Accounts	910,626	740,411
	5,439,319	4,039,557		5,439,319	4,039,557

= US\$1.3359: S 0.9258; FF 10.5956

### Over one hundred and twenty branches throughout Nigeria

Associated banks in France, U.K., Italy, and U.S.A.

New York Branch 551, Madison Avenue, New York N.Y. 10022 Tel: 212-308-7222-5

**London Representative Office** 5/8 Mincing Lane. London E.C.3 Tel: 01-626-7205-7



### UNITED BANK FOR AFRICA LIMITED

97/105 Broad Street, P.O. Box 2406, Lagos, Nigeria Tel: 667410, 667510

Nigeria's Minister of

external affairs

discusses with

Michael Holman

the latest round

of talks on

the debt issue

QUESTION: Minister, what did you achieve as a result of your recent visit to London, Washington and Paris? A: I think I have carved out

a role for Nigeria as a key actor in an area which while primarily economic, has political overtones. The whole issue of the debt crisis has become the core of the relationship hetween the grouping known as North (the industrialised countries) and the South The kind of response I re-

ceived from governments, hankers and the press on my visit confirmed that there is a serious role for Nigeria in the North-South dialogue. I think the role is not just that of a protector of its own interests, but a country that has no evolved a formula that could serve as a model for other Third World countries in terms of the debt crisis, a model in terms of tha IMF and Third World countries.

We are quite capable of playing a leadership role in an issue that transcends Africa.

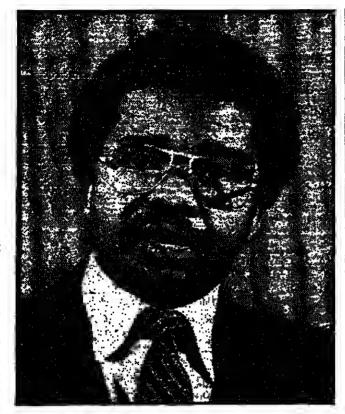
Q: What was the stand on the tals you vielted?

A: In each one of them I found there were slight divergencies between political ministries and financial ministries. In Britain there was no " if or hut" in the endorsement (of the hudget) I received from the Foreign Office or the Prima

With Leon Brittan (tha former Trada and Industry minister), yes, there was a conditionality, but it had nothing to do with the IMF. In fact, he never mentioned the IMF

for the immediate start of ourselves to the right questions said they would have problems negotiations on new lines of and were going in the right in doing e rescheduling withcredit which can be completed, direction. hut cannot be used until "Of course, we believe that Q: Is not the bottom line the Nigeria's debts have been rescheduled. He never said any-thought the life important," he said fact that an IMF accord has to me, "but the important thing he reached?" scheduled. He never said anything about tha IMF. The
treasury was the only place
where the IMF was mentioned.

Treasury to me as an ultimatum—"you not interpret that as saying that that would be positive to what must agree" or else nothing. the IMF was central. was coming out of Nigeria. must agree" or else nothing. Q: And in Washington?



PROFESSOR Bolaji Akinyemi, Nigeria's minister of external affairs, is a graduate of the Fletcher School of Diplomacy and Law in the US, and bolds a PhD from Oxford, The most important foreign policy mission since bis appointment last September took place in January, when he visited London. Washington and Paris to win understand-

ing and support for Nigeria's 1986 budget. A major provision in the hudget was the 30 per cent of export earnings ceiling placed on the servicing of Nigeria's external debt, marking a new direction in the

Government's handling of the debt issue which is discussed in detail elsewhere in this

The outcome of the vicit was seen by many Nigerians as a major diplomatic success as a major diplomatic success, securing backing for the rescheduling of external debt without the normal precondition of an agreement with the International Monetary Fund.

Western officials saw the

the result differently (see main story) and maintain that a formal agreement between Nigeria and the Fund must still precede any rescheduling despite the merits of the 1986 budget.

George Schultz that what we

were the three letters IMF menwant is e wink and a nod from tionality, but it had nothing you to the effect that you like ever, in my meeting with odo with the IMF. In fact, what you see in the hudget. He officials of the Paris Club (an e never mentioned the IMF went further; he said that the informal group which deals tall.

US would go public with its with rescheduling of government debt), who will be improved the proposed of the paris club (an informal group which deals the improved the proposed of the paris Club (an informal group which deals the improved the proposed the proposed the proposed of the paris Club (an informal group which deals the improved the proposed the proposed the proposed that the proposed the proposed that the proposed the proposed the proposed that the proposed that the proposed that the proposed the proposed that the proposed the proposed that the proposed that the proposed that the proposed that the proposed the proposed that the

### Relations with UK on the mend

Foreign policy

MICHAEL HOLMAN

EARLIER this month the rift in Anglo-Nigerian relations was healed when President Ibrahim Babangida announced that full diplomatie links would be re-stored and his Government had approved the nomination of Mr Martin Ewans to fill the post of High Commissioner in Lagos, vacant sinca the split occurred in 1984. The process of nomi-nating his Nigerian counterpart, said the President, would soon be concluded.

The quarrel between Britain and its largest trading partner in black Africa, and fellow-member of the Commonwealth, began with a bizarre apisode in July that year.

A prominent Nigerian exile, Mr Umaru Dikko, a former minister in the Government of ex-president Shehu Shagari and wanted by the military authori-ties on allegations of corruption, was discovered bound, gagged and heavily sedated in a crate at Heathrow airport about to he loaded on to a Nigarian Airways plane bound for Nigeria.

In the furore that followed, Britain and Nigeria withdrew their respective high commis-sioners, and relations between the two countries sank to their lowest level for years, further exacerbated by other matters of contention.

General Muhammadu Buhari. the then military leader of Nigeria, made no secret of his resentment that Britain's Export Credits Guarantee Department (ECGD) had been prominent among Western export credit agencies in its insistence that Nigeria should reach agree-ment with the International outstanding insured trade arrears (some \$2bn, of which Britain's share is nearly half) could be rescheduled.

In vain ECGD officials pointed out that their attitude was shared by other Western export credit agencies: Nigeria expected better treatment, said the general, from a country thought to be a friend.

The second source of friction lay in Nigerla's belief that Britain's North Sea oil pro-ducers, whose product is com-parable to Nigeria's Bonny Light crude, were undermining price stability in the market by cutting prices and forcing

More recently, many Nigerians believe that their worst suspicions about British involve-

actions with Nigeria were confirmed by allegations of a Nigerian link with the Johnson Matthey Bank scandal. Emblazoned across the pages of the local press have heen claims that the amount involved is estimates of some £100m. In the months following Gen

Buhari's overthrow, however, both sides attempted to mend fences. Within two weeks of the August 27 coup Sir Geoffrey Howe, the British foreign secretary, was in Lagos, the first senior foreign visitor to be received by the new Govern-

It was not an immediate success, failing short of Foreigs Office hopes that it would lead to an early exchange of high

Although Sir Geoffrey himself struck a conciliatory note throughout his visit, ha received a sharp rehuff from Air Commodore Larry Koinyan, a member of the Armed Forces Ruling Council (AFRC), who
publicly raised the Dikko
affair: "Those who flout our
laws and who have contributed to the suffering of our people cannot be allowed to hide behind the protection laws of our friends," he told Sir Geoffrey, going on to express doubts about the "sincerity and capturess of Privates." genuineness of Britain's pro-testations of friendship towards

For his part, Sir Geoffrey repeated Britain's stand on an issue which arouses strong feelings in Nigeria—the role of the International Monetary Fund (IMF) in the country's efforts to revive its flagging economy. to revive its flagging economy.
"Without an agreement with
the IMF," said Sir Geoffrey, "it
must inevitably be more difficult for Nigeria's friends to
help as much es they would
wisb." A Fund agreement, be
pointed out, would "open the
way to new credits" and offared
Britain's help to "ease
Nigeria's nath," in pegofiafions.



Britain's Foreign Secretary, Sir Geoffrey Howe with President Babangida in Lagos

Affairs, bald talks in London with Mrs Thatcher, Sir Geoffrey and senior Government officials, in the course of an overseas tour which also took him to Washington and Paris.

High on his agenda was dis-cussion of Nigeria's 1986 budget, which bad been widely ed in Western capitals as e constructive attempt to tackla the country's economic crisis, and which appeared to move a considerable way towards resolving the impasse with the IMF.

British officials spoke of a "warm and friendly" atmos-phere in the talks with Mrs Thatcher and Sir Geoffrey, while the Department of Trade and Industry announced that talks would begin soon on a new line of credit for Nigeria which would be "activated" when Nigeria's debt rescheduling efforts bad been successfully concluded.

At the conclusion of his visit, Professor Akinyemi declared that no obstacles remained to an early resumption of full iplomatic ties. Both governments had, it appeared, put the Dikko affair to one side.

Professor Akinyemi acknow-ledged that Mr Dikko's extrapointed out, would "open the way to new credits" and offered Britain's help to "ease their part, British officials who Nigeria's path" in negotiations.

There matters appeared to Stand, until early this year when Professor Bolaji Akinyemi, Minister of External illegally out of Nigeria at the IMF agreement.

This, say Western government officials, is not the case. While the budget is seen as an important step towards economic recovery there remain issues still to be resolved, such as the call for a devaluation of dition case would take time in going through the courts. For

time of the Buhari coup, accepted Nigerian assurances that their appeal against con-viction would soon get under

Other issues had also either diminished in importance, or at least presented no obstacle to the exchange; as the inter-national oil market became a pricing free for all, rancour pricing free for all, rancour about North Sea pricing policy diminished, while tha JMB affair has been working to Nigeria's advantage, cited frequently by Nigerian officials as justification for the close but time-consuming scrutiny to which the claims of trade creditors are subjected.

Yet there appears to remain a potentially serious misunderstanding ebout the attitude of Britain (as well as France, the US and other Western trading partners) on the role of the IMF and debt rescheduling.

There is a widespread belief in Nigeria, fostered in part by some misleading or overly opti-mistic accounts in the local press, following Professor Akin-yemi's visit to the three capitals, that the budget has paved the way for the resche-duling of medium and long-term debt without a formal IMF agreement.

the Naira. These issues, say the officials, have to be taken up with the IMF, and while the size of any loan is entirely a matter for Nigeria, a formal agreement with the Fund remains a precondition to rescheduling of debt.

Professor Akinyemi main tains that he did not misrepre-sent the aignals he received in London—where his visit was hailed as a success and described as such by Foreign Office officials at the time.

Nevertheless, the misunder-standing about the outcome of his visit, as far as economic issues were concerned, prompted sufficient concern for the missions in Lagos of the three countries involved to take the unusual step of restating their stand, in formal or in-formal meetings with Government officials.

Since then the Governor of the Nigerian Central Bank, Albaji Abdulkadir Ahmed, and senior Government officials have been in London for talks with British officials and bankers, pursuing efforts to get debt re-scheduling talks off the ground. Anxious creditors, impatient about lengthy delays in meet-ing claims for trade arrests, will be hoping that progress is made, for trade ties and out-standing debts, rather than the consequences of an abortive kidnapping attempt, will dominate relations between the two

countries in the months ahead.

### Debt crunch ahead

CONTINUED FROM PAGE 1

cised by the president when he larities and overpricing, was re-viewed by a special committees.

A second committee, bowever, was appointed to conduct a fur-ther review and inspect past contracts with a view to renegotiating them. Although Its chairman is an experienced businessman, many observers have been disconcerted by tha fact that its members have neither technical expertise nor experience of a highly complex

Government may also be running into problems of a dif-ferent kind. A panel under the chairmanship of Justice Samson Uwaifo bas been reviewing the cases of former president Shehu Shagari and his deputy, Mr Alex Shagari and his deputy. Mr Alex Ekwaeme, who are in detention. The panel's finding, after hearing evidence of alleged corruption, that the two men should be released, outraged many Nigerians who helieved that charges had been inadequately investigated and presented.

Confusion has arisen over the limits of the panel's euthority, and the government has since said that the final decision lies with the AFRC.

The Government is in a dilemma: should it keep tha two men in detention it undermines tha authority of the panel it established, as well as its disavowal of detention without trial; but if it releases the men, many Nigerians will be scan-

Corruption

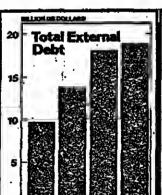
At the heart of the problem is the fact that neither General Buhari nor President Baban-gida have had much success in bringing to book those who were involved in the widespread corruption of the civilian era (and in the military regimes before them) and which today is endemie in

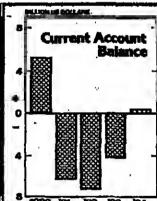
It is in the area of the economy where the most pressing ocncerns lie and where the major pledge made by the President in his post coup address last Angust has proved most difficult to fulfil President. most difficult to fulfil. President Babangida castigated the ousted government for the continuing economic decline during their 20 months in office -"Austerity without struc-tural adjustment," ba declared. is no solution to our economic predicament."

Nigeria, he reminded his audience, had been negotiating since April, 1983, with the International Monetary Fund over the terms of a \$2.5bm loan which would lead to a further loan from the World Bank and pave the way to reschedul-ing of the country's external

"stalemate" had existed for the past two years-"We







Senior Government officials plead for continued understanding from Western Governments and creditors as Nigeria tackles its crippling external debt

Western creditors.

In keeping with the Government's consultative stylo, the issue was then thrown open to the nation and for over three months the newspapers were dominated by little else. The Government, which apparently came to power with the belief that an IMF deal was essential. that an IMF deal was essential, let its own case go by default and miscalculated the consequences. The debate that ensued proved disappointingly one sided, with the opponents of an IMF role in the country's reconstruction programme having it all their own way. The debate was brought to an end in mid-December, when in a national broadcast the President amounced that nego-

President amounced that negotistions with the Fund had been suspended. Although no clear link has been demonstrated, the anti-government plotters who were arrested atter that month were almost certainly planning to capitalise on the anti-IMF sentiment and portray General Bahangida and his administration as "soft" on the IMF. the IMF.

At first sight it appeared a major setback to the Government's economic adjustment strategy. Yet the 1986 budget, released barely a fortnight later, introduced measures later, introduced measures which went a considerable way towards hridging the gap between tha two sides over conditions for the \$2.5bn loan.

Subsidy cut

The hudget slashed the domestic petroleum subsidy, thus removing one of the three major obstacles to agreement, and promised a "realistic" rate of exchange for the Naira, also demanded by the Fund, leaving only the third hurdle— the IMF call for liberalisation

of trade. The package was initially seen as paving the way towards an eventual understanding with tha Fund and thus the Govarnment's imposition of a 30 per cent ceiling on external dabt servicing provoked little or no

But in the weeks that followed

— have gone unanswered. Although in his interview with the Financial Times the president repeated his Government's commitment to a realistic exchange rate, perhaps brought about by e managed float, this is incompatible with views of some senior officials, including the director of budget who is on record as saying that the intention was to maintain parity, within a margin of 5 per cent either way, between the naira and the dollar (traded on the black market at four to five times the official rate).

And as officials in government themselves point ont, to allow the nairs to steadily depreciate and enforce the 30 per cent import surcharge levied in the budget, is hardly the most efficient way of tackling the exchange rate problem.

Meanwhile, the promised introduction of a two tier exchange rate — an official rate and e rate determined by bids for a limited amount of foreign exchange anctioned by the control banks have many central bank-has yet to be

It is no exaggeration to say that Nigeria's economic pro-spects now hang on this issue. Without a substantial develuawithout a substantial devalua-tion — perhaps as much as 50 per cent — any agreement with the Fund seems remote. And without such an agreement there is unlikely to be a resche-duling of external debt, at least on the scale Nigeria needs, and without rescheduling a default seems inevitable. ems inevitable.

Is there a way out of the impasse? Judging by the reaction to the budget, Nigerians appear to be willing to accept painful structural adjustment which their own economic planners recommend.

What they will not accept is an IMF presence in the Central Bank, as it were, seen as an arosion of sovereignty. Nor do they want an IMF loan, if only because many Nigerians believe that it would be squandered, directly or indirectly.

But in his interview with the Financial Times the President ing prospects of default will require all of President Bahar shall break the deadlock that some fundamental questions— was careful not entirely to rule frustrated the negotiations," he notably about the exchange rate out any Fund role, in particular

he indicated what seemed to be a willingness to consider seeking the Fund's endorse-ment of Nigeria's economic reforms. Such an "imprimatur" might then satisfy the creditors' condition for rescheduling. Should Nigeria choose, as one

Government official put it, "to take the whipping but turn down the bride" (a reference to the ceremony sometimes undergone under Hausa-Fulani custom in which the prospective hridegroom endures a ritual whipping before selecting his bride), public opinion may be satisfied, and the basis of a compromise struck.

Senior officials in government who acknowledge the short-comings in the budget and accept the need for e devaluaaccept the need for e devalua-tion of the Naira, plead for continued understanding from western governments and creditors as they walk the tight-rope stretched between the Nigerian public and Fund officials in Washington, and conduct informal discussions with western hanks and the

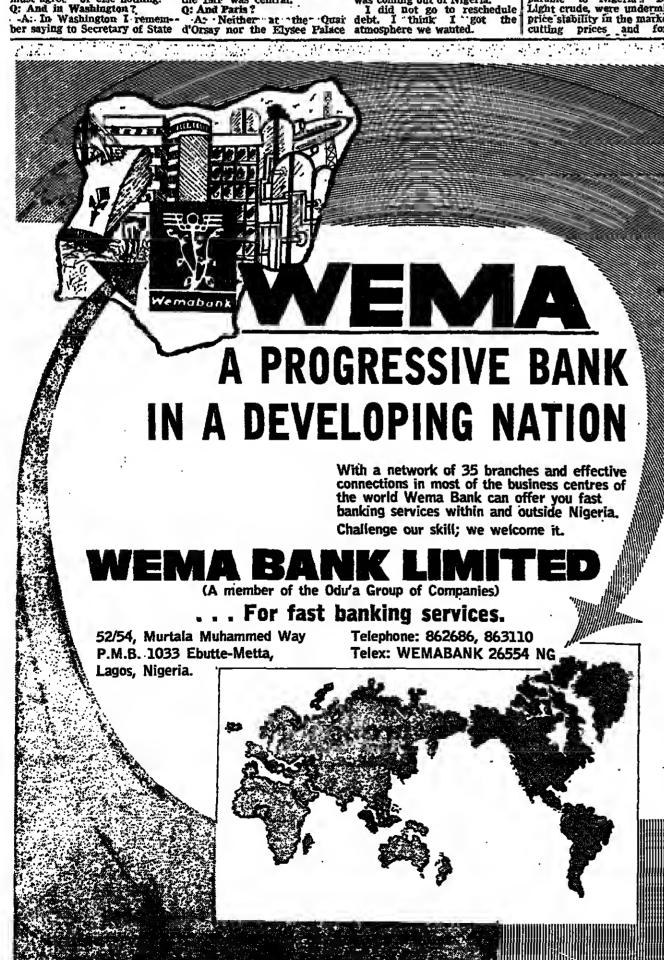
Impatience

Nigerians within and without government remind impatient outsiders that last August's coup brought a new intake of military officers who have to be briefed on the complex economic problems facing the country—"The laarning process had to begin all over again," says one official.

They stress, too, that in their opinion there is no stable alternative to President Babaugida's pro-western administration which has made it clear that it intends to meet its estable ternal commitments. Nigerians within and without

ternal commitments.
Yet there is a sense of time running out. In the coming months the debt crisis must be resolved and the factories which have been forced to lay off over a million workers in the past three years given the raw materials they so desperately

The effort required to find a middle way between rejection of IMF terms and the disquist-



Nigeria's new President is interviewed here by Michael Holman, Africa Editor, and Patti Waldmeir

### 'We're really determined to put the economy to rights'

QUESTION: After six months in office, what do you feel your Government

A. Before this administration took over there was a lot of tension in the country, creating an atmosphere which I felt very an amosphere which I leit very strongly was not conducive to national development. I believe that every person has a stake in the administration, and that opportunity was not available before we took office.

I think one of our most important achievements has been to change the climate, change the atmosphere, making people feel free to participate. Our policy of enhancing human rights and the dignity of the individual cities. zen has gone a long way to reduce tension. Besides, the Nigerian information media are freer today than in most coun-

On the economic front after our rejection of the Inter-national Monetary Fund package, we have put together a budget designed to start an adjust-ment process which should lead to a revival of growth in output and in employment.

Q. Your Priorities for 1986? Q. Your Prierities for 1886?
A. They are set out in the budget. Its main strategy is to reactivate the economy by making more foreign exchange available to the directly productive sectors of agriculture and industry for importing raw materials, machinery and other inputs. When the import licences are issued shortly, we be able to say: "Yes, the country's economic package is quite sound." They should also be able to say: "OK, you should be able to deal with this country have been closed down in the have been closed down in the given the progress they have last few years, as well as those ma

77-1-72

4 . . 4

in Arrangel

A State

is always a possible role for A. It may serve as some sort of the IMF, provided it is com- example, but the situations else-

get has been accepted as realis-tic and I think that it should be an indication to the IMF and an indication to the IMF and our trading partners that we are really determined to put the economy to rights. We have heen able to identify the prob-lems and we are addressing our minds and energies to those problems in our own way. That is what we have been insisting on all the time on all the time.

Q. You spoke in your budget address of the need for a "realistic" rate of exchange for the naira. Does this mean that you envisage the possibility in coming months of a steady preciation of the maira?

A. What we said is that this time around wa will allow the naira to float. Wa will try to avoid outright devaluation but allow the naira to compete with other currencies.

Q. Given the measures adopted to the hadret plus a facility

in the budget, plus a flexible exchange rate, does this mean that Nigeria could move to some accord or understanding with

A. We discarded the idea of there is the question of what the IMF calls "enhanced surveillance." Our ereditors should be

that have been working on a Q. So you would get the endorsesporadic basis, will resume production on the basis of one or
two shifts a day.

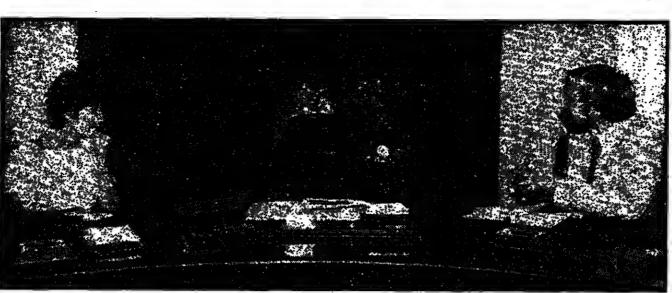
When this happens many citizens who have been retrenched have hoped for. We hope that zens who have been retrenched over the past few years will be re-employed and increased output should generate more tax revenue for both Federal and State governments.

Q. You suspended negotaltions last December for a \$2.5bm loan from the IMF, but do you rule out any role for the Fund in your efforts to resolve your economic problems?

A. I look at it this way: there is always a possible role for A. It may serve as some sort of

with our own national where are different. When this as we see it. administration came in, debt ser-Q. De you see the 1986 budget vice commitments were 44.45 as having narrowed the gap per cent of our export earnings, between Nigeria and the DEFT and this was telling on our A. From reports we get the bud- economy.

The state of the first the state of the stat



The Military President answering questions put to him by Patti Waldmeir and Michael Holman

### General Babangida: 'a soldier's soldier'

MAJ-GEN IBRAHIM BABAN-GIDA, who took power from Maj-Gen Muhammadn Buhari in a hieodless conp on August 27 last year, came to office with a reputation as one of Nigeria's outstanding soldiers who had played a key role in the overthrow on December 31 1983, of the country's civilian president, Sbebn

Shagari, Sociable and popular with his men, President Babangida is a stark contrast with his

the responsibility to settle with our creditors. We believe they

matter what happened we had end.

military predecessor, who was widely criticised within the country for muzzling the Press and abusing human

rights. Gen Bahangida has made Press freedom and govern-ment occessibility cornerstones of his administration and has encouraged debate on the main issues facing the untry-notably its relation ship with the International Monetary Fund, the proposed

Our view is that the huge

drop in oil prices is temporary

But we also felt that no ticipants will be losers in the

mean well and they should he and that a truce or armistice able to understand our prob- will soon be agreed on terms

lems. We should be able to sit that will ensure reasonable down with them and discuss health for all concerned. All these issues. They need us and we need them, so we can sit our main budgetary strategy down and reach an agreement.

Q. Does the receot fall in the Q. Your counter-trade policy of price of oil jeopardise your bud-oil for goods has come under

get strategy? review. What are the criteria A. It's a sign of the battle of for future deals?

return to civilian rule, and the cootroversial member-ship of the Islamic Confer-Born in 1941 in Minna, he

joined the Nigerian army as an officer cadet in 1963. After graduating from the Military Training College at Kaduna, he went on to attend military courses in India and Britain. During his distinguished millitary career he was known as a soldier's soldier," especially in the Biafran civil war, and

tures?

he played a key role in ending the coup attempt in February 1976 in which the head of state, Gen Murtala Muhammed, was assassinated.

government derives from his membership of the Supreme Military Council (SMC) from 1975 to 1979 and between 1984 and 1985 under Gen Buhari, when he was Chief of Army Staff. A Muslim, he is married with three children.

high priority. Moreover, such a return to civilian rule remains deals will feature flexibility of us the opportunity to obtain Q. The press is playing a vigorous and influential role in Nigeria, but in a recent speech you seemed to take a tougher Q. You have initiated a dehate

oo the proposed return to civilian rule. What are your stand on the media. views on new political struc-A. The press will continue to remain free. It is not the inten-A. It would not be politic for tion of this administration to interfere with the freedom of the press, which should inform the public about government me to talk about that now, with the debate about to start. The the press, which should inform debate will cover about 28 the public should government topics, including the role of the policies, convey back to government topics, including the role of the policies, convey back to government topics, including the role of the policies, convey back to government topics, including the role of the policies, convey back to government topics. A. It's a sign of the battle of for nature deals?

The policies of the battle of the policies of the policies of the policies, and whatever deals of comes and the policies of the policies of the policies, and whatever deals of comes and the policies of the policies, and whatever deals of comes from the report of the policies of the policies, convey back to government any public reaction, and commented with improprieties connected with improprieties.

His previous experience of

tion whether corruption under Shagari's government has been resolved is "No." Until the relevant panels finish their work It cannot truly be said that the issue of corruption under the Shagari government has been Q. It sometimes seems that com-paratively small fish have been put away for long periods while the main culprits go scot-free-or, if they are imprisoned, that

the abortive been strained since the abortive attempt to kidnap Mr Umaru Dikko in July 1984. When will relations be restored and High

Commissioners (withdrawn at the time) reappointed?

A. We have hridged the gap. We have the approved nomination of the new British High Commissioner and I hope his Nigerian counterpart will be

aproved any time now.

Q. The recommendation by the panel headed by Mr Justice

Samson Uwaifo that former president Shehu Shagari and

the issue of corruption under the former civilian government

A. We set up three tribunals:

one trying people who were convicted under Decree No 3;

another trying people con-victed under Decreees 7 and 20

finished and made their recom-mendations the Armed Forces

The short answer to the ques-

has been resolved?

his deputy, Dr Alex Ekwuemo should be released provoke controversy. Will you act on the recommendations? Do you feel

involved? A. This is an on-going process. We have always maintained that anybody found to have been

iterate and where people, therefore, tend to believe virtually everything they read in the press.

Q. Relations with Britain have been strained since the abortive attempt to kidnap Mr Umaru observer status which Nigeria Dreviously had with the ICO? previously had with the ICO?
A. I would not like to pre-empt
the findings of the panel. They
reconvene on February 25 to

deliver various views. Q. Nigeria has a representative —General Olusegun Obasanjo, -General Olusegum Obasanjo, the former head of state—on the Commonwealth group of eminent figures who are trying to encourage negotiations between the South African Government and black leaders in the Republic. Are you at all hopeful that the initiative will produce results?

A. Given the quality of the people nominated to serve I have no doubt that they will try to make a success of their mis-sion. But it is at a very delicate stage and after the initial contact it will require a bit more time to assess the situation. Public statements, especially hy governments whose representa-(decrees enacted by the pre-tives are serving in tha Comvious military government of monwealth group, could com-Nigeria); and a third looking plicote matters.

Q. Can we finally return to economic issues and the con-cerns of Western creditors? into the cases of people who are still held in detention. This is where the Uwaifo panel comes A. I don't like slogans, especi-ally where difficult and very important issues are under con-sideration. But let me state our basic philosophy on our relation report of each case and treat it ship with the international on its own merits. They include financial and banking comon its own merits. They include financial and banking com-the case of Alhaji Shagari and munity in respect of meetitng Dr Ekqueme at the appropriate our external obligations. It can be summed up in two words:

realism and responsibility. We are prepared to meet our legitimate obligations, domestic or foreign. Where claims on government are questionable they must be thoroughly vetted before they can be accepted as legitimate.

Once our obligations are clearly established, we are also prepared to do whatever is reasonable and possible to meet them, subject to the availability of resources and the need to continue to meet the require-ments of the Nigerian economy. In other words we would dis-charge our external debt obliga-tions, but not at the expense of

### In 1960... NAL'S commitment to economic growth began

TODAY, we have justified our existence by our continued support for business developour continued support for business development in Nigeria. We have served as a link between Nigeria and international business. between Nigeria and International business. By welcoming the challenges of competition over the years, we have matured with one admin national expression to the laying of

Our efficient banking and advisory services are the strength behind this goal. ACCEPTANCES AND COMMERCIAL PAPERS SHORT AND MEDIUM TERM LOANS LOAN SYNDICATION EQUIPMENT LEASING LETTERS DF CREDIT

INWARD AND OUTWARD REMITTANCES CORPORATE FINANCE DEBT AND EQUITY ISSUES CAPITAL RECONSTRUCTION

MERGERS AND ACQUISITIONS INVESTMENT ADVISORY SERVICES STOCK EXCHANGE QUOTATION

Now and beyond, we shall explore even more ways of responding to the changing needs of national economic development.



### **Glaxo**-Nigeria's largest pharmaceutical manufacturing company

GLAXO NIGERIA LIMITED Over 30 years' experience in the msnufacturing end msrketing of a wide range of fine pharmaceuticals, coupled with the edded facilities of our brand new ultra-modern factory at Agbara, have made us the largest pharmaceutical menufacturing company in Nigeria.

Our strong position in the phermeceutical industry can be traced directly to the efforts end resources deployed by our well directed research organisation which is beeked by Glaxo Group. Our main objectives have been the discovery of new and effective drugs, of more economic methods of menufacture and the development of improved versions of existing praparations. Our Nigerian chemists end technologists are highly skilfed end most of them have been trained by Glaxo Nigerie and Glaxo Group.

Glaxo Nigerisn manufacturers in Nigeria, a range of pharmaceutical and food products as well as merketing many of the ethical products including antibiotics from Glaxo Pharmaceuticels Limited. Although the main thrust of the company's ectivities will be

in pharmaceuticals, considerable growth is expected in the fields of Animel Health, infant Foods end bulk raw materiels for the pharmaceutical and confectionery industries. Agricultural Investments in e new factory end farmland are on schedule. This new venture under the neme Nucleus Farm Products Limited is planned to include e refinery for converting maize into medicinal dextrose, phermaceutical starch, liquid glucose and other byproducts.

We employ many Nigerians in various fields of our operation throughout the country. Out of this, over eighty-five are in senior menagement positions. We believe that people as well as good quality medicines contribute to the well being of our country, hence we mete fine phermaceuticuls for more heelthy Nigeriens and a better economy for today and tomorrow.

GLAXO NIGERIA LIMITED P.M. BAG 1720 41, CREEK ROAD, APAPA Telephones: 803050, 803051, 803052

Glaxo - makers of fine pharmaceuticals

### **NAL Merchant Bank Limited**

HEAD OFFICE NAL Merchant Bank Limited 50/52, Broad Street, Bookshop House, P.O. Box 2432, Lagos, Nigeria. Tel: 633222, 633294, 600420-9 Telex Nos. 21505, 22941, ACCEPTOR, NG.

BRANCHES NNIL Building, 4, Waff Road.

P.M.B. 2172, Kaduna.

19, Asumpta Avenue, P. O. Box 53, Owerri.

South-West Ring Road, P, M, B. 5064,

## Now the big debate begins

THE STARTING gun been fired," declared one Nigerian exuberantly, "for the 1990 elections." But another veteran observer was far from pleesed: "The same old poli-tical crooks are on the wing."

Both were reacting to President Ibrahim Babangida's announcement that he intended to return the country to civilian rule in 1990 and e year long national debate on the country's future would be encouraged by a government-appointed poli-tical bureau, which has released a 29 point guideline for the public ranging from the role of

public ranging from the role of the armed forces to the place of traditional leaders. Over the next 12 months members of the hureau, working out of offices in all 19 atates, will be encouraging — should that be necessary — submis-sions from members of the

#### Poverty

pulled no punches.

"It will not be an overstatement," an editorial declared, "to say that Nigeria in all the years of her independent existence, has not even started to epproximate the prerequisites for building a modern nation state. Economically, unbearable poverty is still the highest common denominator. Politically, disorder has become the basic mode of order. Socially, we are bewildered by our own decay and morality, bankruptey is the sordid reality, especially of the elite class."

partly lies in their capacity to tip the halance of power.

The federal structure under which Nigeria won independence in 1960 (consisting of the northern, eastern and western regions) was designed to accommodate those forces, but it prove unsuccessful.

The overthrow of the first republic was caused largely by the division between the northern NPC-led coalition, which included substantial southern alliance of parties, which for its part included some is the sordid rea of the elite class.

Although politized parties remain banned—they were proscribed when the military overthrew the former civilian president, Shehu Shagari, in December 1983—there are to find a constitutional formula that will mark the most of signs, as one former politician that will meet the needs of put it, that the old parties are Africa's most populous nation. starting tentatively to regroup. What found common acceptance Whether they will eventually was the need to devolve power

#### Prospects for civilian rule

MICHAEL HOLMAN

to be seen. But any new dispensation will have to take account of three broad divisions in Nigerian society which run along regional and ethnic

As the article by David Walliams, the veteran observer of Nigerian affairs, points of Nigerian affairs, points out, the so-called north-south division in Nigerian politics is a misleading term. Nevertheless, there is a powerful northern Hauss-Fulani sense of identity and common cause, personified in the career in influence of the late Sardaunad Solveta Abanda Political una of Sokoto, Ahmadu Relithe first premier of northern

No one underestimetes the task ahead. When the Vanguard newspaper viewed the prospect of producing a formula which would create a stable, democratic society in a nation with marked ethnic divisions and which has seen military coups since independence in 1960, it pulled no punches.

"It will not be an overstate."

The two other major groupings are the Yoruba in the west and the Ibo in the east, and each of these three "nations" number some 15m to 20m people. To these should be added what has become known as the "minorities," some 300 ethnic group whose influence partly lies in their capacity to the balance of power.

which for its part included some

re-emerge—indeed, whether on the regions and in the 1960s politicians, for even the inde-Nigeria will choose a multi-party model for its new con-stitutional structure—remains smaller states, in two main to younger men.

phases (see map top right).

If ethnic affiliations were the only hasis of party political support, the Yorubas would now dominate four states, with two other states with strong Yoruba influence but in which the minorities would be the key to the electoral outcome. The the electoral outcome. The Hauss Folani have four states, with five or six marginal through minority groups, while the Ibos prevail in two states, with two or three more in the fringe category.

#### **Polling**

In the 1979 and 1983 elections (the latter widely regarded as having been rigged) three parties dominated the political scene: the National Party of Nlgeria (NPN), which won the poll in 1979 by moving beyond its northern base to establish a broad national presence, winning key minority states such as Benue, Cross River and Rivers; Benue, Cross River and Rivers; the Unity Party of Nigeria (UPN), led by one of Nigerie's political veterans. Chief Obafemi Awolowo, 77, who was premier of the western region in the 1950s, and whose party strength lies in the Yoruba west of Nigeria; and the Nigerian Peoples Party (NPP) led by Dr Namdi Azikiwe, first president of the Federal Repoblic and now in his 80s.

now in his 80s. The NPP drew heavily for its support from the two Ibo states in the east, Imo and Anamabra, with significant support in

Plateau and Rivers states. But the 1979 election showed. however, what might have appeared solld voting blocs based on ethnic loyalties produced a far more complex pattern, with smaller parties such as the Great Nigeria Peoples Party (GNPP) and the Peoples Redemption Party (PRP) showing that local issues or personalities could disrupt the planning of the big three.

Should new parties be allowed to emerge, while the names may change, the electoral power bases are unlikely to be fundamentally different. But by 1990 Nigeria will have a new generation of aspiring civilian

Approach our nearest office. By our fruits you can

BN - the pioneer Nigerian Bank

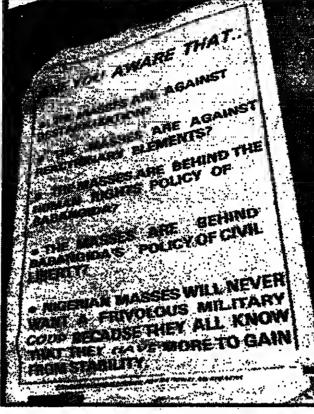
NATIONAL BANK OF NIGERIA LIMITED

HEAD OFFICE: 82/86, Broad Street, P.M.B. 12123, Lagos, Nigeria.

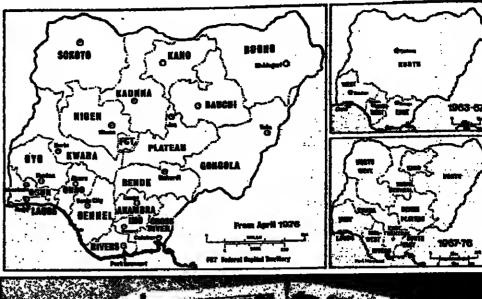
Tel: 661341, 661352, 661374, 662840, Telex. 21348 (NABANK-NIGERIA)

Cablegrams Nationbank Branches throughout Nigeria

We have done it well for half-a-century. We can do it again,



 Wall posters, such as the one above issued by the Nigerian Council for National Awareness, and (right) a selection of vigorous tabloid newspapers highlight political, regional and religious issues. President Babangida has pledged that the press will continue to remain free





### Religious differences intensify

islam and Christianity MICHAEL HOLMAN

FEW issues have excited as debate in moch passionate debate in Nigeria in recent years as the news that the country had become a full member of the Organisation of Islamic Conference (OIC).

Both the way in which the decision was taken, and the way in which it has fanned religious differences in Nigeria, brought about what Newswatch, a well informed local weekly, described as the Government's "first major crisis" since taking office in August last year. The impact of the decision has been disquieting in a

clashes in the past between Government forces and Islamic extremist forces in the north, religion has by common consent, been largely kept in the background.

Today conversations soon turn to the subject of religion, and invariably the composition of the Armed Forces Ruling Council (AFRC), and the army liself, is discussed in terms of reli-gious affiliation with fervour and sometimes an undercurrent

of animosity.

Christians raise the spectre of the introduction of Islamic sharia law in the south despite no indication that the Government is even remotely contemplating such a move. "The talk is often irrational." said one concerned Nigerian, "but that is always an ingredient of religious disputes."
For a Government which has prided itself on the consultative

process it adopts before making major decisions — the encouragement of a debate on the. pros and cons of taking an International Monetary Fund (IMF) loan, for example - the way in which the news emerged uzzled many Nigerians. from an Agence France Presse

report last month, picked up by the local Press. It said that following a visit by a Nigerian delegation led by Albaji Rilwanu Lukman (then minister of Mines and Steel, since of Mines and Sieci, since eppointed to the Petroleum loos census (although this leaders to "examine the implipantion) to an OIC conference itself was disputed at the time) cations of Nigeria'e member which described 47 per cent of ship," headed by Internal had become the 49th member which described 47 per cent of ship," headed by Internal at 55m, today put at between Shagaya, whose first move was established in 1971, the body som and 100m, according to to appeal to the press to exercise. "the pro- which estimate one believes-as cise restraint.

there, despite serious motion of Islamic solidarity to the past between among member states ——incom-nt forces and Islamic patible with Nigeria's official seculer status, say Christians as well as co-operation in "economic, cultural, social scientific and other fields."

The news alarmed many

Christian church leaders in Nigeria, who sought further derails, but the initial Government response was confusing. The chief of general staff, Commo-dore Ehitu Ukiwe, the Government'e number two, declared that Nigeria "has not applied to join any international reli-gious organisation," and made the same point in a television

interview.

Only earlier this month did President Ibrahim Babangida confirm the news, and by that time the Nigerian press had had a field day, reporting the passionate views of the two sides, Christian and Muslim. Both sides claimed to represent the country's religious majority, and this plane pressed control and this alone excited contro-versy for no accurate count exists of the current Nigerian population.

A census in Nigeria is more The first inkling came not heads. The outcome has a fun-response was in keeping with from the Government itself but damental bearing not simply on an administration which has resentatives to each region or range of topics, from an inves-state, but on state revenue, for tigation on the merits of coun-Federal collected revenue is allocated to the states partly on the hasis of population.

The only reliable guide is the future: it established a committee of Muslim and Christian:

wersa in the southern region.

Meanwhile, the debate raged.

"The process by which Nigeria joined the OIC," declared an cined the OIC," declared an editorial in the Lagos daily, The Guardian, "was totally uncharacteristic of an administration that until now has endeared itself to the populace by it openness and readiness to expose even the most arcane issues to public debate . . . for nearly three weeks not a single nearly three weeks not a single government official was willing to admit (the decision).

Opposition Some of the newspapers most bitterly opposed to the decision drew alarming parallels with religious conflicts in Iran, Iraq, and the Lebanon painting the protetre of rampant islamic fundamentalism and raising the prospect of religious conflict that could as one open party in the could as one open party in the could as one paper in the could be could be

that could, as one paper put it, "tear Nigeria apart." the allocation of political rep- set up committees on a wide ter trading Nigerian oil for goods, to the country's political future: it established a commit-

Muslim, 35 per cent as Christian and the rest animist or traditional. Broadly speaking the north is predominantly Muslim, though with a sizeable christian minority, and vice cause of its apolitical, areliated to the control of the panel of Abuja—deliberately chosen as the location of his speech because of its apolitical, areliated to the control of the panel of the proposed federal capital of the control of the panel in the proposed federal capital of the proposed federal capi gious status as a capital in the making—struck a note of caution and conciliation which

may have come none too soon. Dismissing speculation that membership was a move to appease northern religious and political interests, he warned that "inflammatory state-ments" in the media were "capable of doing avoidable damage to the peace and unity of Nigeria. National debates, he went on, "will not be sucne went on, will not be successful if they are approached by whipping up emotions, mobilising mass hysteria or issuing threats."

Defending the Government's decision to join the OIC he reastimed the commitment to

tion 10 of the 1979 constitu-tion which stipulates that Nigeria is a secular ctate. The business of the OIC, he said, which included among its members over a dozen other African states, many of which Muslim populations, was "international struggle for economic development and self reliance.

What he did not explain, however, was the process which led to the application, and why such confusion attended its handling.

The committee is due to report later this month, but it will take the wisdom of Solo-mon to produce findings which defuse this sensitive affair and which do not leave one side or

### Regional rivalries remain

### **North-South**

issues

DAVID WILLIAMS

ALMOST TWENTY years ago the northern region, which since independence had domi-nated Nigeria politically as well as geographically, was split into as "states." Ten years ago it was further divided, into ten states, ranking constitutionally with the nine states into which the former three southern regions were then divided. in the 1979 general election states in the former northern region elected five governors opposed to Alhaji Shebu Shagari, and five who supported

Yet even today people can be found in the nine southern states who still see survival of the political unity and domina-tion of the former northern region, and suspiciously scan British came, chared lists of appointments, including political unity with those of military governments, for signs of "northern" ascendancy. For them the northern region still lives; the old British administrative boundary be-tween the "northern" and "southern" protectorates, with their very different histories, is as real politically today as it was in 1912 when Lugard was brought back to "amalgamate"

provinces should remain "different," and their Nigerian concept of their northern nor clear ideas, nor authority." region as what amounted to a

it publicly. Lugard did not succeed, fact, in producing a real amalgamation. In practice two different, to some extent rival, systems of administration continued for the now "northern" and "southern" groups of provinces.

In the north, "indirect rule," adopted to meet administrative

necessity, became a "dogma"; and instead of modernising ideas which were developing in the south spreading to the north, the opposite happened. The differences between north and south which the British and their successors wished to maintain they extended, for the most part, even to non-Moslem areas of the northern provinces whose social systems had affinities with the south and which, until the

#### Consequences

The notion of a "regional nation" also affected, to a lesser degree, the western and eastern regions, and in these the idea that the Yorubas and Ibos constituted "nations" — how-ever justified in cultural terms

anxious to serve the interests of his group than those of Nigeria as a whole.

The enthusiastic British administrators who were determined that their northern British heads of centralised design and the British northern partments and the British northern with the conflict of the southerners of trying to exclude eny evailable northerners from in the conflict between the jobs in favour of their own determined that their northern partments and the British northern with little justification contherners accused northern provinces should remain partments and the Britisb nor-With little justification "different," and their Nigerian thern edministrative hierarchy, southerners accused northern successors who developed the there were "neither team-spirit leaders of pushing unqualified

sought to diminish, not accentuate, the differences,

Above all, in spite of Lugard's ambition, considerable imbalance in western education between the Moslem areas in the north end the non-Moslem areas in the south was inevitable for many years. Hostility to western education was re-inforced by the British Administration'e policies.

The basing of all education on local culture was sound but this excluded teaching English except later at Barewa Col-lege, destined to produce a minute class of "black Moslem English gentlemen"—although English was essential for employment in central govern-ment service and for international links. The northern "provinces" became a "reservetion."
The central failure of "amal-

gamation" lay in education. In 1919, Lugard lamented that "the Northern Protectorate does not at present supply a single clerk or artisan from its successor. Clifford, found no person in the northern provinces "sufficiently educated to enable him to fill the most minor clerical post" in any

central government department. Before and after independ-—for the sake of economy, not political consequences.

The Colonial Office, tune bad so few educated people although questioning the idea caused tensions. Northern incident to serve the interests and may be more were a natural and permanent incident.

> northerners up the federal Certainly there were pro- ladder.

"northern nation," bear some of the hisme for the division which still affects so much Nigerian political thinking, manike approach would have sought to diminish, not accentification."

They resented the northern policy of employing foreigners on contract rather than pension—ehle southerners when no northern emirates and the rest of the country; but a states—on contract rather than pension—ehle southerners when no northern emirates and the rest of the country; but a states—on contract rather than pension—ehle southerners when no northern emirates and the rest of the division of the country; but a states—on contract rather than pension—ehle southerners when no northern emirates and the rest of the country; but a states—on contract rather than pension—ehle southerners when no northern emirates and the rest of the country; but a states—on contract rather than pension—ehle southerners when no northern emirates and the rest of the country. southern politicians sincerely believed that the 1963 census was "rigged" in favour of the Northern Region, causing them ultimately to question the legi-timacy of the Federal govern-

#### New amity

The Agulyi-Ironsi regime's effort in 1966 to centralise government revived northern fears about southern ambitions, with violent consequences. The civil war was never a north-sonth affair, but it was often so re-

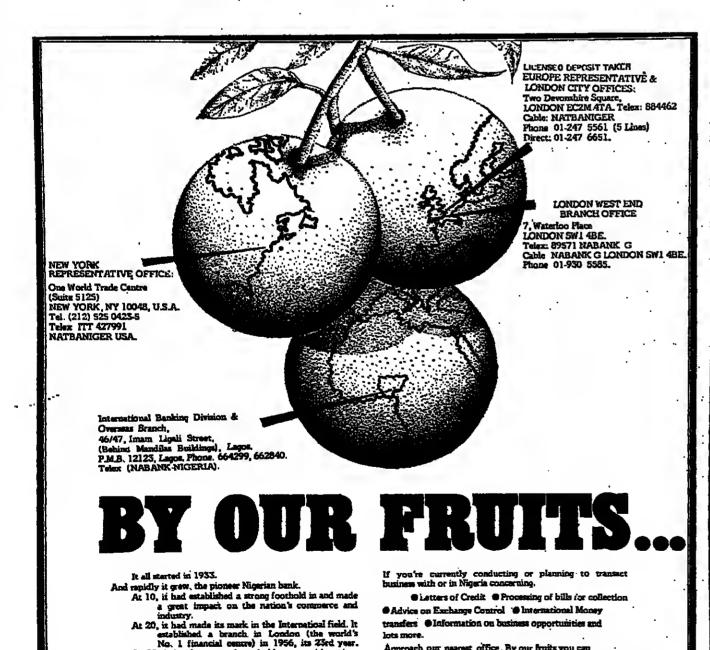
The new amity which developed after division of the northern region into states, between leaders of states covering non-Moslem areas of the former region and those of Moslem states, reinforced southern suspicion that the northern region still lived.

region still lived.

This suspicion was publicity expressed on occasions: when military governors of the states formed out of the region met to consider issues which parties larly affected their states operation of regional institutions, for example, which could not easily be divided between them, or even drought.

Mistrust came to a head during the heated debates at the Constituent Assembly in 1978 on a Federal Sharia Court of Appeal—although in this case non-Moslem leaders in the former northern region were allied with southern politicians.

Yet two decades after the northern region disappeared "north-south" mistrust should have no place in Nigeria's political thinking. Perhaps, for a time, use of the terms "northern and "southern" be outlawed in political dis-



wide branches, representative offices in Europe, U.S.A. coupled with a worldwide network of correspondents, to readily serve its customers.

As oil prices sink, drastic stabilisation measures such as debt rescheduling and a substantial currency devaluation appear difficult to avoid.

### Options start to narrow

**Economic** prospects TONY HAWKINS

crunch year for the Nigerian economy—the year in which Nigeria runs out of options. Some options are still open, but as oil prices: plummet the options narrow in range and efficacy; forcing Lagos ever closer to the brink of debt rescheduling and substantial cur-

In the last three months, the Nigerians have formally re-jected an IMF loan agreement, jected an IMF loan agreement, put a cap on foreign debt service payments equivalent to 30 per cent of expected foreign exchange receipts, ordered an increase in oil production to offset plunging prices. They have also imposed a range of fiscal measures designed to stabilize the accommy, which stabilise the economy, which also satisfied several of the IMF's loan conditions, established a two-tier currency market and publicly accepted the need for a rescheduling of their medium and long-term foreign debt as well as a continued restructuring of trade debt arrears.

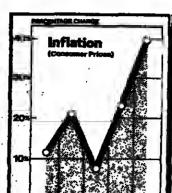
Taken together, measures represent major progress towards economic adjustment but one vital ingredient is missing—a large devaluation of the Naira from its current parity with the US dollar.

The two-tier market is intended to the remarket is intended.

to go some of the way towards currency adjustment by allowing a broad range of non-essential transactions—imports of consumer goods, foreign travel, payments abroad for education —to take place at a realistic market exchange rate. The mere fact that the Nigerian authorities have acknowledged this necessity serves to under-line the inevitability of eventual adjustment of the official rate

of exchange.
Such adjustment is crucial to stabilisation of the economy both in the short-run and in the longer-term. In the wake of all the other adjustment measures already undertaken by Lagos, substantial devaluation would open the way to an IMF agreement, thereby, unlocking the years, movements against other door not just to an IMF loan currencies have been very limited but to an estimated \$30n 1936 the naira's nominal effecannually of new resources over a three-year period in the form of quick-disbursing structural adjustment loans from the World Bank, some new credits from international banks, and renewed access to credit lines from the export credit agencies. Such a package would get Nigeria over the debt-servicing Nigeria over the debt-servicing hump it now faces during the 1986-89 period, thereby easing the rear-term foreign payments constraint, but, just as important, major-currency devaluation is needed also to achieve effective restructuring of the economy in a way that would revitalise the agricultural sectors while encouraging possoil. tor, while encouraging non-oil exports and efficient import

Opponents of an IMF agree ment question—with some justi-fication—whether Nigeria would attract the level of resource inflows of \$9bn over a three-year period given caution on the part of both international banks and official credit agencies to extend their Nigerian exposure. They are, also justifiably, very concerned at the likelihood of new capital inflows being squandered by the fed-eral and state governments at a time wheo there are signs of Nigeria's coming to terms, at long last, with the need for fiscal responsibility and control. However valid these points may be the fact remains that it is long-term structural read-justment associated with currency devaluation that will be far more important than the immediate debt trisis. Since the onset of the oil glut in 1982, one civilian and two military administrations have wrestled



with Nigeria's economy impos-ing layer upon layer of bureaucratically-controlled austerity designed to avoid the need for fundamental balance of payments adjustment.

- The only workable option a return to a strong oil mar-ket — has failed to materialise At the same time, the other ad hoc options—the build up and rescheduling of trade arrears, cutbacks and delays in invisible payments, a 40 pe cent reduction in imports higher taxes and cuts, increa deals — have all failed to re-solve the foreign payments crisis at a time of falling oil

#### Real incomes fall 30pc

On the other hand, these policies have forced the economy into a recessionary straitjacket with the result that real per capita incomes which increased 17 per cent between 1974 and their 1978 peak, have since falien 30 per cent and are back to their levels of the late 1960s. Iodeed, real Gross Domestic Product at N26.5bn last year was 15 per cent below its 1978 peak and only marginally higher than the 1976 figure of N26.2bn.
To make matters worse, the

economy has been going through a period or pronounced stagilation with the result that prices and the naira's real effective exchange rate have worsened while output declines. Although the authorities have against the US dollar by no less than 84 per cent in the last five import-weighted basket) was estimated to be only 5 per cent below its December 1980 levels.

With inflation averaging 20 per cent annually over the past five years, the real effective ex-change rate of the paira is estimated to have doubled giving a ball-park figure for its present overvaluation. It is argued by businessmen and bankers in Lagos that the mooted 30 per cent devaluation of the naira would no longer be adequate and that the authorities should be thinking in terms of a 50 per cent shift. This is supported to some extent by the black market rate of around five naira to the dollar compared with the official parity of one naira to

Reinforcing this argument the combination of a continuing poor performance by the non-oil exports on the one hand and the expectation of sharply higher inflation in 1986 after a year in which the anthorities succeeded in holding inflation down to no

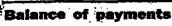
the dollar.

more than 5 per cent.

The doubling of the petroleum price with the abolition of the domestic subsidy (one of the IMF's conditions for an agreed IMF's conditions for an agreed programme), and the 30 per cent import surcharge (designed to avoid currency realignment while also raising much-needed public revenue) at a time of strong demand for essential imports that are in very short supply, suggests that the inflation rate will move back above 20 per cent in 1986, further underlining the need for devaluation.

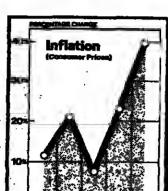


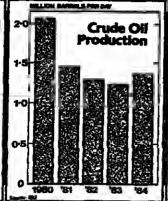
Nigeria's new Finance Minister, Chu S. P. Okongwu



Exports Imports Invisibles (net) Current balance Capital (net) Overall balance	1986* 9.6 7.5 -2.6 -0.5 -2.1 -2.6	(N bn) 1985 10.7 7.4 -2.4 +0.9 -1.2 -0.3	1984 9.1 6.8 -2.1 +0.2 +0.2 +0.4	1983 7.6 8.3 2.3 3.0 +-2.8 0.4	1982 8.2 10.0 -3.0 -4.8 +3.4 -1.4	1981 10.9 11.3 3.3 3.7 +-0.7 3.0
		Forecas	t.			

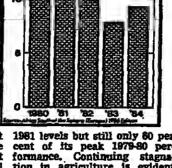
Source: Central Sank of Niceria and own estimates







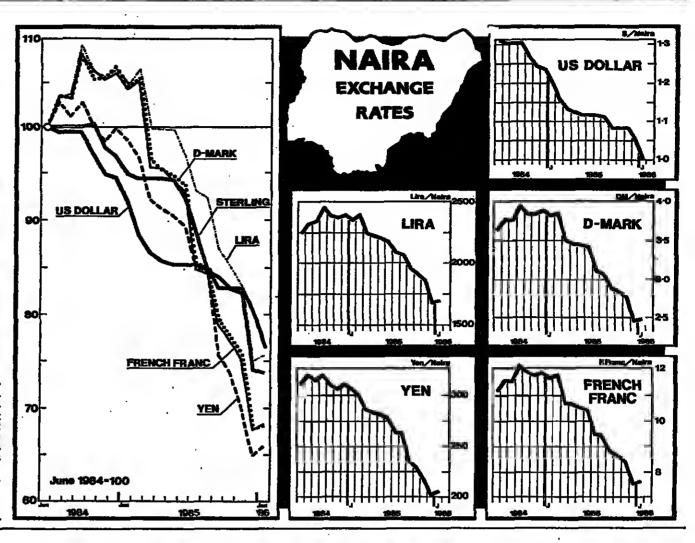
last year, taking output back to



Export Earnings

From the onset of the reces

Continued on Page 6



### Wherever you find today's Nigerians working, you will find First Bank helping with their needs.

First Bank is the largest and longest established bank in the country. Our network of over 200 branches spans all over major conurbations and centres of regional development.

Consequently, First Bank is totally involved with every aspect of this country's economic expansion.

We pride ourselves on our commitment to the people of Nigeria. Many sectors of

agriculture, industry, commerce and social services find First Bank helping with their needs.

Whether you are a private individual or corporate manager, talk to the expert bankers.

For further information and details of your nearest branch, write to:

> The Marketing Manager, 35 Marina, P.O. Box 5216, Lagos. Tel: 665900-20.













### FIRST BANK ... working with the people



### High liquidity to be tapped to solve looming problems

Capital Markets TONY HAWKINS

THE NIGERIAN Government THE NIGERIAN Government hopes this year to exploit the high llquidity ievels in the capital markets to solve two looming financial problems—the privatisation of some parastatals and the rescheduling of the country's internal public debt.

Strong growth in institutional savings from N6.8bn at the end of 1981 to N11.7bn in mid-1985 has created the opportunity for recycling these funds away from savings deposits and short-term money-market instruments into the longer-run investment that the country needs so desper-

the country needs so desperately.

Despite the build-up in liquidity new issue activity remained at a very low obb last year. In the 1977/79 period, almost N2.1bn was raised through the new issue market, of which N1.8bn represented government stock issues and some N274m private sector equity and fixed interest stocks.

In 1983, private sector issues In 1983, private sector issues fell below N150m while in the past 15 months less than N50m has been raised in private sector

new issue activity include low levels of privato sector invest-ment attributable to the foreign exchange crisis and capacity utilisation rates of 30 per cent in many industries. Companies, like the banks and capital markets, are themselves awash with liquidity, partly because they have not yet had to meet arrears arising from overdue trade debts and as a result there is little incentive to raise new capital

capital. The surplus liquidity situation was vividly illustrated by the outcome to the 1985 Federal Government Development Stock
Issue, Seven-year paper was
issued at par with a coupon of
10.5 per cent rising to 12.5 per
cent for the 25 year bonds. The
N300m stock issue was 1.8 times
subscribed markets, the first subscribed, making it the first government bond issue to have been oversubscribed in the history of the Nigerian capital market, according to ICON Merchant Bank.

1985 as well. The volume of shares traded which reached a peak of 417m in 1983 was down to 229m in the first nine menths of the year.

An obvious reason for this state of affairs is the fact that two thirds of Nigerian market equity is held in firm hands by foreign companies (42 per cent), by the Covernment (15 per cent) and by institutional investors (8 per cent). The estimated Im individual Nigerian investors, holding the balance of 35 per cent of issued balance of 35 per cent of issued share capital, have long adopted a "buy and keep" strategy which also makes for low levels

which also makes for low levels of market activity.

Despite the economic recession, Nigerian investors have enjoyed handsome share market gains over the past two years, partially reflecting equity market inflation in the sense of too many buyers chasing too few shares, but also in response to the sparkling profits achieved by many listed companies.

The Nigerian Stock Exchange compiles a common stocks share

The Nigerian Stock Exchange compiles a common stocks share price index (Jan 1984 = 100) encompassing the 95 equities listed on the market. Tho index remained flat throughout 1984 reaching 105.5 at the end of the year, when the market capitalisation was N2.2hn, but had moved to 127 by the end of 1985 and 132 in January this year by which time the market capitalisation amounted to N2.8hn.

This puts Nigeria near the

This puts Nigeria near the top of the league of developingcountry capital marketsnumber six in line after
Malaysia with a 1984 market
capitalisation of US\$29bn,
Brazil (US\$28.9bn), India
(US\$7.9bn), Korea (US\$6.1bn)
N1.7m,
Marico (US\$2.9bn)
The record initiative also

and Mexico (US\$2.8bn).

Mr Hayford Allile, DirectorGeneral of the Nigerian Stock
Exchange argues that double
taxation—in the form of corporate tax on profits and a withbolding tax on dividends—is a "major cause of our lagging Mr Allile argues that N500,000,

Nigerian investors are worse off than their counterparts in Brazil, Chile, Argentina and Korea because of significantly higher rates of corporate and



Launching new initiatives: Mr Hayford Alide, Director General of the Nigerlan Stock Exchange,

after-tax profits of companies and the twice-taxed dividends. and the twice-taxed dividends.

In the last two years, the Exchange has launched three new initiatives designed to attract new listings, widen share ownership and increase the equity available to investors. These include last year's establishment of the Second-tor tier Securities market which with its less stringent listing requirements, is designed to in-duce medium-sized firms to take the public-quotation plunge.

In the wings

To date, only one firm has gone public via the second-tier, raising N425,000 of new capital, but others are waiting in the wings. In what was the first wholly owned Nigerian

The second initiative—also designed to encourage indi-genous Nigerian firms to go public—was the revision of some of the market's listing requirements. The most important change announced to date is the reduction in the prerequi-site capital base from Nim to

Third is the proposal to establish a hond market that would cater for the require-ments of Federal, State and Local government. The aim been oversubscribed in the dividend taxes as well as a 20 is to refinance some of offered a stake in those statehistory of the Nigerian capital per cent capital gains tax. Far Nigeria's Internal debts by controlled industries that can generate acceptable rates of Merchant Bank.

Secondary market activity charges, ranging from 5 per Exchange has suggested that such enterprises are thin on the continued at a low ebb through

be discounted at the Central bank or marketable via the Stock market.

Either way, holders would get a liquid investment that would presumably be issued to replace unpaid and overdue internal public sector debt, especially those owed by the State governments. The Nigerian Government is clearly been a this suggestion and in keen on this suggestion and in the budget it announced its intention of rescheduling the domestic public debt through the bond market. As yet, no details are available.

In addition to these three developments, there is the recurring suggestion of privatisa-tion. In his budget address, president Babangida referred to the parastatals as "an un-necessarily high burden on government resources," promising to sell off the Federal Government's holdings in agriculture, hotels and all non-strategic manufacturing activi-

But for all its attractiveness as a strategy for financially-strapped governments, priva-tisation is riddled with practical snags—government reluctance to dispose of financially-viable investments, investor reluctance to buy into loss-making para-statals, Government unwillingness to allow management to paddle its own cance and the scarcity of managerial skills. If the capital markets are to be used to finance privatisa-tion, investors will have to be is to refinance some of offered a stake in those state. Nigeria's internal debts by controlled industries that can issuing bonds with maturities generate acceptable rates of ranging from 5 to 10 years. The return, in contemporary Nigeria.

### Decision year on trade debts

CONTINUED FROM PAGE S

sion in 1982, industrial production — electricity and mining as well as manufacturing — bad fallen 14 per cent before recovering slightly last year. Manufacturing output declined 23 per cent between 1982 and 1984 before managing a 5 per cent recovery in 1985.

Estimates of capacity utilisa-tion vary widely from as low as 20 per cent to as high as 35 per cent to 40 per cent. How-ever, very few industries are operating at more than half-capacity and in the budget, the Government set itself a target of attaining 55 per cent capacity utilisation this year — a figure that is unlikely to be achieved given the extent and severity of import shortages.

An unavaidable consequence of the overvalued nairs is the economy's excessive dependence on imported food, raw materials and intermediate goods. Consumer imports in goods. Consumer imports in recent years have averaged 28 per cent of the total, with food accounting for about half (15 per cent of the total) and consumer durables 6 per cent.

Incredibly, as imports have declined the consumer durable share has risen, from 5 per cent in 1981 to 7 per cent last year.

Raw materials account for roughly one-fifth of total imports while the share of capital goods has averaged 45 per cent. Even after the imposition of ansterity measures in 1984, consumer imports still exceeded 25 per cent and although allocations for consumer items bave been reduced, industrial production and new investments have suffered as overall import levels have been

In terms of US dollars, Nigeria's imports have been cut by two-thirds from \$21bn in 1981 to an officially forecast \$7bn this year, even allowing for some shift of import allo-cations from capital and con-sumer goods to raw materials.

Nigerian industry is probably operating with real imports of no more than half the levels applying in 1981-82. Indeed, raw material imports last year at N1.5bn were just over half the 1981 total of N2.96bn. The inevitable result has been widespread shortages, rapid inflation as retailers mark up scarce items, declining capacity utilisa-tion and large-scale industrial

While there are no meaningful unemployment figures, it is

turing and by the state government, has led to sharply higher unemployment. The former finance minister Dr Kalu

former finance minister Dr Kalu Kalu said iast month that the cegistered unemployment rate in urban centres rose from 7.8 yer cent at the end of 1984 to 9.7 per cent in mid-1985.

A report by the National Manpower Board calculates that private sector employers laid off as many as 30 per cent of their workers in 1982-83, with the impact being most severe in the construction sector followed by manufacturing and commerce.

reigeria's poor economic per-formance has its roots in its troubled foreign payments situ-ation. In dollar terms, exports collapsed from US\$26bn in 1980 to \$12bn last year while, over the same period, imports were almost halved, declining to \$8.5bn in 1985.

Throughout the 1980s, Nigeria has run a deficit on current in-visibles — services, investment income and transfers—averaging \$4bn annually though this has been partially offset by a trade surplus of \$1.7bn annually, leaving a current account deficit averaging some \$2.3bn a year.

However, there has been a major improvement since the 1981-3 period when the current deficit averaged more than \$6bn annually to an average of just \$1bm 2 year in 1984-5. While last year's 17 per cent export growth contributed to this improvement, the main explanation for the reduced current deficits because the contributed to the improvement. deficit is import restraint and invisible savings resulting from intensified exchange controls. Since 1980, when there was

a buge trade surplus attribu-table to huoyant oii prices, there has been a cumulative overall payments deficit of some \$18bn, financed by the drawing down of foreign loans, a rundown in foreign reserves and the build-up of trade arrears.

It is this combination of 2 substantial payments deficit, funded by short-term borrowings in the form of trade arrears accumulation and the hunching of maturities in repay-ing medium and long-term obligations that spawned the present debt crisis. The options now open to Lagos

The options now open to Lagos are limited. Having rejected—at least for the time being—an IMF programme, Nigeria is trying to reschedule its trade debt and medium and long term obli-gations in separate negotiations ful unemployment figures, it is with the Paris Club of official clear that retrenchment, especially in construction, manufaction of international banks. GDP

Prospects for a Paris Clnb agreement would seem to be remote, given that group's insistence on an IMF agreement as prerequisite for rescheduling. However, the banks may be willing to restructure their medium and long-term loans subject to what they see as the adoption by Nigeria of an appropriate exchange rate stance that would offer some hope of medium-term export growth, even with a depressed international oil market.

Just how the IMF would view

such unilateral action on the part of the banks, is unclear but if it were to be linked into a substantial devaluation of the mairs, then almost all of the fund's objections will have been

to appreciate just why the Nigerians should be willing to accept IMF conditionality—up to a point—but reluctant to accept the loan. There is enormous emotional, and even irrational, opposition to a loan programme and to one cardinal erequisite—naira devaluation.

Without substantial devalua-tion—of the order of 50 per cent the IMF loan programme will not take off and neither, in all probability, will it be possible to secure a Paris Club agreement. It is just possible, but un-likely, that the banks might agree to restructure without

It is doubtful whether re-structuring of the London Clob debt, estimated at some US\$7bn would be sufficient on its own. It would reduce this year's debtservice commitments by an estimated \$1.5bn still leaving Nigeria to find a further \$35n

The wind weight among the double that and

at a time when the banks are likely to be unenthusiastic about providing new money. The alternative options in-

The alternative options include stepping up oil production which is not a solution but merely a means of possibly achieving modestly bigber export earnings or the South African option of declaring a mailsteral more toroism on foreign debt repayments while continuing to meet interest obligations.

On the central bank's figures this would save \$10hn in foreign currency payments over the next three years alone which would be enough to see the country through.

without some movement on rescheduling, Lagon is going to run out of foreign currency at some point during 1936 and be forced to default. On the central bank's belance of payments projections, the country is facing an overall deficit of some \$2.5hm this year which could be "finenced" only by defaulting on loan repayments, or interest payments and a renewed accumulation of trade arrears.

It would be a very great pity if such an entrome were to occur since in the past 18 months, the Nigerians have moved a long way not only towards meeting the demands of their international creditors. but towards fundamentally re-structuring their economy.

Many of the measures in the Many of the measures in the 1986 budget — reduction of the oil subsidy, a tighter fiscal stance involving expenditure cuts and the imposition of new taxes, export incentives for non-oil exports, and the commitment to privatisation and reduced subsidisation of purastatis — were long overdue. - were long overdue.

10 yards short of the finishing post, does not win the race.
More seriously, having accented
through the proposed establishment of a two-tier exchange market — the need for at least some currency adjustment, the Nigerians would be bettar ad-vised to go the whole hog, not just to resolve their immediate foreign payments problems, but also to shift the balance of incentives firmly in the direction of agricultural regeneration, the development of non-oil ex-ports and efficient industrial growth based on local-sourcing rather than imported materials.

A realistically-valued naira, or in World Bank parlance; getting prices right," is the key to both a 1986 reacheduling agreement and to long run struc-tural reform.



Telephone:847700, 847705. Cables: Vasoponds, Apapa.Tlx. 23130 (CHESS NG)



### **NIGERIAN BANK for COMMERCE** and INDUSTRY

**Catalyst for Growth & Development** 

The future of industrialization and healthy economic growth in Nigeria lies with the development of small and mediumscale enterprises. In recognition of this fact, NBCI attaches great importance to halping the smaller business units and has obtained the World Bank's assistance towards the achievement of that goal. NBCI's effort towards the development of small and medium-scale businesses in Nigeria is in line with the determination of the Federal Miltary Government of Nigeria to accelerate the industrial growth of the country.

NBCI has correspondent banking relationship with many major banks in the world and has branch offices in all the States of Nigeria. It is thus well-placed to link foreign businessmen who are interested in doing business with enterprises in that sub-sector of the Nigerian economy with their counterparts in Nigeria.

The Bank is a statutory corporation of the Federal Government of Nigeria and not a limited liability company: its operations are governed by a special regulatory instrument, the NBCI Decree No. 22 of 1973. With a Share Capital of N200 million, NBCI has total resources of over N300 million as at the end of 1985.

### Nigerian Bank for Commerce and Industry

26 Ideio Street, Victoria Island P.O. Box 4424, Lagos, NIGERIA Telephone: 01-614872/617665 Telex: 21917 NG

Cable: NIBACIND

## 1989 2.7 0.7 4.4

### Rescheduling is inevitable

OVER THE past year the Nigerian debt crisis has moved slowly, but inexorably, towards the climax that is likely during 1986. Precisely what form that climax will take remains to be seen but present indications point to renewed efforts by the Nigerian Government, the banks and the export credit agencies to reach some kind of accommodation that would forestall "the Pretoria option" of a unifiatral default and moratorium.

Nigeria's external debt problems fall into two quite distinct categories—the near-term obligations arising out of the build-up of trade arrears in 1982-83 and the medium and long-term debts amounting to some \$12bn.

Debt

TONY HAWKINS

scheduled arrears, totalled nearly \$80n. It is this build-up of arrears that transformed what was by third world standards a modest foreign debt

the bunching of maturities for repaying medium- and long-term debts over the next three years,

will force Nigeria to reschedule —even if this can only be done

unilaterally—during 1986.
This was made clear in the 1986 budget when the Nigerian authorities set a ceiling of 30 per cent of their anticipated

export earnings for external debt-service. Since the budget was presented, the continued fall in the oil price has raised new doubts about the official export projections suggesting that Miranda 46 is asset a stick.

rather gloomy scenario, but given the need for merchandise

lateral or mutually-agreed-is

and the manner of its achieve-As if Nigeria's external debt difficulties were not enough, the

N26bn represented borrowings

banks a further N3bn.

The maturity profile is far worse than that of the external debt with 91 per cent of the

its internal borrowings before

What is in doubt is its precise timing—though mid-1986 would seem to be a crucial period—

inevitable.

As ill-luck would have it, repayments on the medium and long-term debt are bunched over the next few years at precisely the moment when oil prices have weakened drastically and when heavy interest and capital repayments in respect of trade arrears have to be met.

dis

The approach adopted by most countries experiencing difficulty in servicing their external debt has been to request creditors to restruccommitment—a mere 12 per cent of Gross Domestic Product ture debt service payments falling due or already in arrears.

Nigeria has moved a long way
down this path already starting
with the refinancing in 1983 of the build-up in trade arrears and
with the refinancing in 1983 of the bunching of maturities for
US\$1,9350 of commercial bank repaying medium- and long-term letters of credit. This stretched repayments on these trade arrears through until July,

Secondly, Nigeria offered to refinance the insured and unin-sured trade debts incurred in the early 1980s resulting in an agreement with the uninsured creditors to restructure all verified claims outstanding at the end of 1983. This was to be done by converting open account trade debts into floating rate promiseague points.

4 C.

mly 4 70 ft

3 Table 12 Table 1

Toke 5

22 -2

AR. PLE

be done by converting open account trade debts into floating rate promissory notes carrying interest at 1 per cent over LIBOR (London Interbank Offered rate), with maturities of six years and a grace period of 2.5 years.

The first batch of notes, valued at some US\$258m, was issued in November, 1984, and although the Nigerian authorities set themselves the ambitious target of completing the note issue by mid-1985, at present a total of \$1.35m of notes has been Issued out of an estimated \$35m.

There have been interminable delays in the verification of claims with some banks of claims have been accepted by the Central Bank of Nigeria, Estimates of the likely final amount of uninsured debts range from \$20n to \$40n with the present consensus suggesting the dept of per cent ceiling—could have considerably less foreign exchange to meet foreign debt commitments than the \$2.85bm notionally provided in the budget.

Gloomy scenario

Like the debt calculations, debt service projections vary considerably, but the Central Bank's ewn estimates show debt service rommitments rising from \$4.40m in 1986 to \$5.4bm next year and a peak of \$60m in 1988, before falling back to \$4.4bm again in 1989.

Assuming an oil price averaging \$20 a barrel and exports of 1.2m barrels daily, this suggests a debt-service ratio averaging \$60 per cent ceiling—could have considerably less foreign exchange to meet foreign debt commitments than the \$2.85bm notionally provided in the budget.

Gloomy scenario

Like the debt calculations, debt service projections vary considerably, but the Central Bank's ewn estimates show debt service projections vary considerably by the Central Bank of Nigeria, less than again in 1989.

Assuming an oil price averaging \$20 a barrel and exports of 1.2m barrels daily, this suggests and the considerably less foreign exchange to meet foreign dexchange to meet foreign dex

ing 66 per cent annually during the 1986-88 period. Clearly, a higher oil price, increased oil exports or the development of substantial nonthe present consensus suggesting a figure of around \$3bn.

In theory, the note issue development of substantial non-process should be completed by oil exports would improve this October 1986 when amortisa-tion of the notes ie due to start. but on present progress and imports of at least \$7bn annugiven the seriousness of ally, it's clear that Nigeria'
Nigeria's cash flow position, simply cannot—and will not—
this looks to be a somewhat optimistic target.

No agreement has yet been words, a rescheduling unitnecessary of the next for increasing the serious simply cannot—and will not—
meet such a high level of debtservice payments. In other
words, a rescheduling unitnecessary of the next for increasing the service imports of at least \$7bn annugiven the next for increasing the service imports of at least \$7bn annugiven the next for increasing the service imports of at least \$7bn annugiven the next for increasing the service imports of at least \$7bn annugiven the seriousness of ally, it's clear that Nigeria

Nigeria's cash flow position, simply cannot—and will not—
meet such a high level of debtservice payments. In other
words, a rescheduling of least state of the service payments of the service payments of the service payments.

this looks to be a somewhat optimistic target.

No agreement has yet been reached on the rescheduling of the insured trade debts—that is, the amount owed to the export credit agencies (ECAs) such as ECGD in Britain, Exim Bank in the US, and Coface in France.
The EGAs argue, at the socalled Paris Club where the
official foreign debts of develop-

ing countries are traditionally renegotiated, that no reschedulcountry also faces the urgent need to reschedule the public sector's domestic borrowings. ing agreement can-be reached unless or until Nigeria reaches At the end of 1984, the public sector's internal debt was estimated at N43bn of which unless or until Nigeria reaches an accommodation with the International Monetary Fund. Since President Babangida rejected the IMF programme last December, the talks hava been stalemated, though reby the Federal Government in the form of Treasury Bills and Certificates and Stock Issues. A further N7bn represented arrears payable to contractors and banks by the Federal government and a similar N7bn payable to contractors by state cently there has been a good deal of speculation over tha possibility of Lagos and the IMF reaching agreement on a form of words — as distinct from Nigerian acceptance of an governments. The states also owe commercial and merchant

iMF loan programme — that would unlock the door to a rescheduling deal

debt with 91 per cent of the internal dast maturing between December 1984, and the end of this year, but perhaps the most worrying aspect of the internal debt in the amount owed to banks and contractors.

At the end of 1984 this exceeded Ni7bn and since most of this represents bank financing—directly and indirectly—the key problem is the solvency of some of the banks themselves. Its been calculated that the Ni7bn outstanding represents about 11 times the total equity of Nigeria's commercial and merchant banks.

The root cause of the Despite the impasse, the Nigerians have agreed to make payments — in lieu of interest — retroactive to January 1984 on the arrears owed to official creditors that are estimated at around \$2bn, making a total of about \$5bn in all for trade arrears. To date only some \$435m of such official claims have been verified, making a total of \$1.7bn verified to date out of an estimated \$5bn in all.

Estimates of Nigaria's total Estimates of Nigeria's total foreign debt and of future debt service obligations vary widely, but figures used by the inter-national agencies point to rapid growth in the debt outstanding from \$13bn at the end of 1982 and merchant banks.

The root cause of the domestic dabt crisis was excessive spending by the state governments and the parastatals, with the budget deficit of state governments averaging N5bn annually in the early 1980s. While both the Buhari and Babangide administrations bava imposed tight fiscal controls at both state and federal level, the fact remains that the largely-impublicised internal public debt problem could escalate into as serious an economic crisis as to \$18.3bn in December 1984 and to more than \$20hn last

The main source of growth in the debt has not been new medium and long-term commitmedium and long-term commitments, but the impact of the cescheduling of the trade arrears and their consolidation into medium-term obligations.

Thus, between 1981 and 1984 debt problem could escalate into during which time Nigeria's a serious an economic crisis as foreign debt more than doubled, net new medium and long-term borrowings (after deduction of such loans) accounted for only \$2.5bn or ebout one-querter of the country's increased external creditors at some point during the year, the military constructions bava imposed tight fiscal controls at the trade of the country's external creditors at some point depth fiscal controls at the country's external creditors at some point depth fiscal controls at the country's external creditors at the country's

By contrast, net accumulated they, too, develop into an unarrears, along with the remanageable financial crisis.

### Devaluation remains bone of contention

IMF Debate TONY HAWKINS

SHORTLY AFTER seizing power last August, President Babangida called for a public debate over Nigeria's negotiations with the IMF. What followed was frequently emotional and often irrational, itself hardly surprising given the fact that all levels of the population, including those with only the haziest grasp of the issues took part.

Some bizarre arguments were advanced by members of the Nigerian ecademic establish-ment, firmly convinced that ment, firmly convinced that Nigeria is not just a special case, but an economy that benefits from a much-overvalued exchange rate. By the time the Military Government announced its rejection of an IMF loan agreement, it was obvious that there was—and still is—massive public opposition to the IMF.

With hindsight, it's clear that in initiating the debate the the President badly miscalcu-lated the outcome. So one-sided was the dialogua that it was dubbed: "The debate that never

The media were hostile to the

brushed aside and little or no serious consideration was given to alternative options.

Shortly after formally anshortly after formally announcing its rejection of the IMF terms, the Babangida administration introduced a budget which met many of tha Fund's demands, implying that the dialogue with Washington will be resumed before much

It was almost three years ago, in April 1983, when the Shagari Government formally applied to the IMF for balance of payments support under the three-year Extended Fund Facility

Under present regulations, Nigeria is entitled to e loan of between \$1.75bn and \$2.2bn which would have a grace period of three years followed by a five-year repayment schedule, during which tima interest would be payable et hatween 6 per cept and 7 per between 6 per cent and 7 per

Acceptance of an IMF programme would open the way to a Structural Adjustment Loan from the World Bank and to other official and private lines of credit, while paving the way for orderly restructuring of Nigeria's foreign debt. The principal conditions laid down by the Fund were:

(1) A reduction in Government capital expenditure to a IMF programme with the result maximum of N4bn annually that important issues were The revised 1984 budget pre-

If this is deducted, actual

capital spending closely approximates the IMF ceiling. approximates the IMF ceiling.

(2) Greater budgetary discipline and lower budget deficits. On recurrent account, the Military Government transformed a small N131m deficit in 1983 into a budget surplus of N1.2bn last year. When capital spending is taken into account, the overall budget deficit bas been reduced from N6.2bn in 1983 to N4.5bn last year and N0.5bn projected for 1986—showing a major tightening in fiscal stance.

Subsidy

(3) The IMF required reduc-tion of subsidies on fertiliser and domestic petroleum sales. The fertiliser subsidy is being phased down to 25 per cent by 1988 while the petroleum sub-sidy—previously one of the sticking points in negotiations with the Fund—was cut by 50 per cent, implying savings of N900m in the 1986 budget. Presumably, the IMF will continue to press for further gradual reductions in tihs subsidy.

(4) Reduced financial support and subsidies for parasta-tals. In the 1986 budget, trans-

sented by the Buhari administration did, in fact, set a capital have been cut by 50 per ceut spending target of N4bn but this has since been raised to the state-owned industries to rationalise their finances by N5.3bn in 1986, though in both years more than N1m was set asida for repayment of loans.

Babangida Government is committed to recomment is committed to privatising its invest-ments in non-strategic indus-tries and reducing its holdings in strategie sectors such as banks and insurance.

(5) Rationalisation and simplification of the tariff struc-ture. Successive Nigerian governments have taken steps to rationalise their tariffs since 1984 with further changes being made in last month's budget.

(6) A review of interest rate policy. The IMF called for higher interest rates and a narrowing of the spread between deposit and lending rates designed to encourage savings. The Fund also wanted to see a reduction in the number of sec-tors designated for credit allotors designated for credit allo-cation targets by the Central Bank. This latter problem was tackled in the budget with the number of sueb sectors being reduced to 4, but real interest rates—both lending and deposit

remain substantially negative.
(7) The Fund called for a vigorous export promotion programme and this has been in-cluded in the 1986 budget. (g) Increased producer prices

This leaves two crucial areas of disagreement — the IMF call for trade liberalisation end call for trade liberalisation end its requirement that the naira be devalued. The trade liberalisation requirement is obviously a long-run policy ob-jective. Clearly, it would be unrealistic to expect Nigeria to substantially eliminate trade barriers while its external pay-ments situation remains pre-carious.

Crucial areas

A realistic medium-term strategy would be a co-ordinated programme of protec-tive tariffs on the one hand, to replace existing administrative controls on imports, allied with compensatory devaluations of compensatory devaluations of the naira. The trada liberalisa-tion condition is unlikely to represent a major obstacle to an IMF agreement with Nigeria.

But, by contrast, exchange rate disagreement poses formid-able problems. Initially the Fund was seeking a 25 per cent to 30 per cent immediate naira devaluation to be followed by further downward edjustments as and when necessary. Given the substantial real effective appreciation of the nairs in the three years since the IMF negotiations began, its likely that the devaluation factor to-

country's key policymakers of the need for an IMF pro-gramme. This is evident from the broad agreement reached over a wide range of issues. A year ago, talks had been stalled by disagreement over the crucial issues — the domestic petroleum subsidy, trade liberalisation and devaluation.

Today, Lagos has moved to meet some of the Fund's objecmeet some or the Fring's objections on the petrolenm subsidy, whila trade liberalisation is more of a qualitative and altogether less immediate issue.

This leeves devaluation as the one remaining major bone of

As the months go by and Nigeria's liquidity situation worsens further, so the pres-sures to devaine will intensify, but given the comprehensiva victory of the anti-IMF, anti-devaluation lobby in the debate that never was, a pro-devalua-tion consensus is most unlikely to emerge. As one Lagos banker puts it: "Military governments ere put there to run the country — not to foi-low the media."

Having come this far towards resolving Nigeria's economic difficulties, it would be a great pity indeed if the Babangida for farmers were suggested by day is closer to 50 per cent. pity indeed if the Babangida the IMF and this requirement its elear that over tha past administration were to pull was also acceptable to the three years the deteriorating back now.

### WHY CHOOSE NIGERIAN WIRE & CABLE?



When it comes to fulfilling your needs for wires and cables for electric power transmission and distribution or for telecommunications, here are seven reasons to choose Nigerian Wire and Cable Co., Ltd. (NWC)

When you choose NWC, you're choosing a company that was set up to manufacture high-quality electric wires and cables right here in Nigeria-to fulfil Nigerian needs and foster its growth by importing advanced foreign technology rather than finished producta.

When you choose NWC, you're choosing a company associated with Sumitomo Electric Industries, Ltd., a world leader in electric wire and cable technology. You're also choosing a company that has steadily developed and carried out sound financial management with the backing of the Sumitomo Group.

When you choose NWC, you're choosing a company that is dedicated to giving its workers the systematic, in-depth training needed to manufacture high-quality, dependable electric wires and

When you choose NWC, you're choosing a company that can serve your long-term needs, a company that has steadily grown and is now poised for several phases of further expansion on its forty-acre site.

When you choose NWC, you're choosing a company that, as a

founding member of the Cable Manufacturers Association of Nigeria (CAMAN), has been a leader in the sound development of Nigeria's wire and cable industry.

When you choose NWC, you're choosing a company that manufactures a full range of electric wires and cables, as introduced on the following pages, meeting international standards.

And, finally, when you chose NWC, you're choosing a company that always puts your satisfaction as the customer above all other considerations.

### PRODUCTION AND **QUALITY CONTROL**

Nigerian Wire and Cable is justifiably proud of its highly advanced production equipment and facilities, its state-of-the-art technology, and the high quality and excellent performance thereby achieved in its products. NWC's unchangeable priority is to supply its customers with the best wires and cables available in Nigeria. Here's how NWC does it:

Top-grade raw materials from around the world, systematically tested in accordance with NWC's stringent quality standards, are carefully selected to meet the specific requirements of the product,

## Highly automated production equipment—including many machines from Japan — and NWC's dedication to maintaining cleanliness in its factory ensure that wires and cables made by NWC consistently have top quality and trouble-free performance.

Based on world-famous Japanese quality control systems, NWC carries out strict quality control at every stage of the process rather than just at final inspection, so the customer can be sure that NWC's high standards are maintained throughout the full length of the wire or cable.

Finally, NWC's products are designed to fully comply both with Nigerian standards and with International standards such as NSO, iEC, and British Standards—as well as with the customer's specific



This year is the 11th anniversary of Nigerian Wire & Cable Co. Ltd., jointly owned 40% by Sumitomo Electric,

20% by Sumitomo Corporation and 40% by Odua Investment Company.



### NIGERIAN WIRE & CABLE CO., LTD.

Industrial Estate Kilometer 9, Ibadan-Abeokuta Road, PMB 5573, Ibadan TEL.(022) 412451 Telex 31575 NIWAC



For the past four decades the A.G. Leventis Group of Companies has diversified throughout Nigeria. Among its wide-ranging interests, which employ over 12,000 people, are:-

Wholesale and retail distribution of general merchandise Vehicle and Motorcycle manufacture, distribution and servicing Agricultural and Earthmoving equipment, distribution and servicing Department stores and supermarkets Technical and electrical manufacture, assembly, distribution and servicing

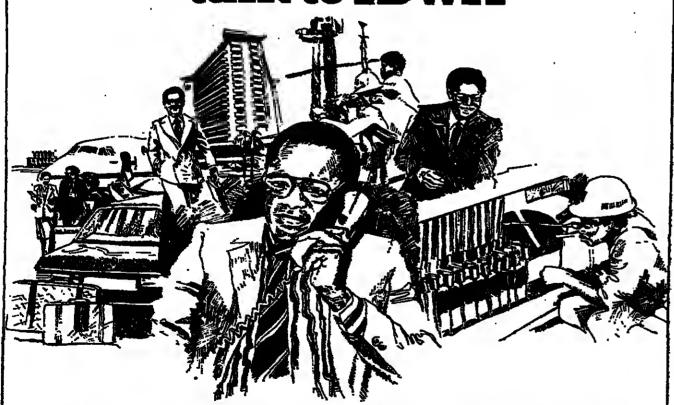
Hotel operations Manufacture and distribution of beer and soft drinks Overseas manufacturers' local representation

Food production and farming Manufacture of glass, plastics, closures, carpets, cans, systems housing and plastic floor tiles Property investment and management

A.G. Leventis Group

Head Office Iddo House, P.O. Box 159, Iddo, Lagos, Nigeria. London Office West Africa House, Hanger Lane, Faling, London W5, England. Phone: 01-997 6651

### When banking efficiency is essential in Nigeria, talk to IBWA



Choosing a bank with the combined qualities of efficiency and courtesy is no easy task. With a balance sheet total of over N1.5 billion, approximately 2,000 members

of staff, a network of over 50

branches, computerisation, and an impressive profitability record. IBWA knows what it takes to be efficient.

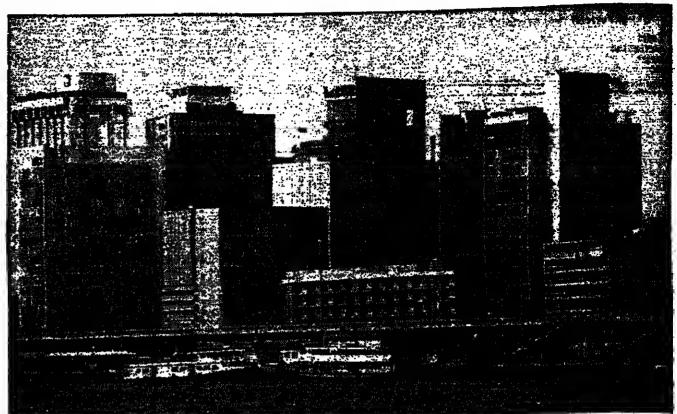
When it comes to banking services, size is usually not the key to performance. At IBWA

our commitment is to efficiency and courtesy. because we believe you have to practise what you preach. Come and talk to IBWA

**AFRIBANK** 

The efficient and courteous bank IBWA

INTERNATIONAL BANK FOR WEST-AFRICA LITD. Head Office: 94, Broad Street, Lagos. Tel: 664135, 662301, 663608, 663851, 663663.



Lagos, the commercial capital of Nigeria. Critical observers worry about the national penchant for smothering enterprise in a blanket of bureaucracy

Tony Hawkins looks at government moves towards greater realism in establishing the true value of the naira.

### Two-tier exchange market

NIGERIA'S PLAN to establish which official foreign currency a two-tier foreign exchange allocations have not been made available by the Central Bank, greater exchange rate realism. This parallel market could also in two main respects. First, it will allow the emergence of a student fees abroad, foreign market rate to take at least holidays and business trips, and some of the strain in terms of any other "unauthorised" some of the strain in terms of any other "unauthorised" allocating scarce foreign spending on invisibles or merexchange resources. Secondly, the provides a mechanism for The theory is that the secondlegalising the illegal black tier rate would settle some-market by replacing it with a where between the official rate legal "parallel" market. of one naira to the US dollar

On the face of it, it would seem that in agreeing to the creation of the second tier, the Nigerian anthorities have accepted the unpalatable reality that the nairs is substantially overvalued. And yet, there are those who very obviously see the two-tier rate as an ingenious means of yet again avoiding the need to come to terms with harsh reality in the form of full-frontal exchange rate adjustment.

Nowhere is this strategic Nowhere is this strategic conflict more evident than in two of the budget documents themselves. The President, in the budget address, and fromer Finance Minister Kalu Kalu in his budget briefing, both openly acknowledge the need for a flexible exchange rate policy.

But Chief Kuye, Director of naira the Budget argues in a widely naira rate ruling in the official circulated paper that the official market.

This is seen as an attractive parity with the US dollar for a minimum period of 12

During this initial period, he says, only the second tier rate should be allowed to fluctuate in response to market forces.
This would seem to constitute
a reversal of the "sinking peg"
approach to exchange rate
policy which took the naira policy which took the naira was the decision to allow down some 23 per cent against exporters of non-traditional the US dollar in the 15 months prior to the budget, As conceived by Chief Kuye, the official exchange rate will be used for major exports (oil

the onicial exchange rate will ings could be brought back into Nigeria at the attractive free markerials, foodstuffs, military bardware, and capital equipment as well as for debtservicing and other essential invisible costs.

The second window will be side measures, this is a demanduate of the company of the company of the company of the content of

and the existing black market rate of about five naira to the

the second window have been amounced and are in varying stages of implementation. The first, amounced a year ago, was the decision to allow

Nigerlans to establish so-called domiciliary accounts which enables a resident to open a foreign currency bank account

No questions asked. The authorities have said that no questions will be asked on the origin of any such funds residents will be now allowed to exchange their US dollars in the parallel market for five naira rather than the one

This is seen as an attractive inducement to repatriate "flight capital" which would then create a pool of foreign currency that potential importers can bid for. The creater is invested above the contract of greater is importer demand for foreign currency the more naira

the Nigerians will get for his

dollars.
The second important step exporters of man-fraditional exports to keep for their own use 25 per cent of their foreign currency earnings, Such earn-ings could be brought back into

importers to bring in non-essen-tial imports of their choice, provided they purchase the foreign currency at the second window is reported that up to N2bn of such licences are being issued in apparent anticipation that the supply-side measures will work effectively to create the necessary pool of foreign

very real snags and deeply-held reservations. So far as the domiciliary accounts are con-cerned, it is pointed out that these were first announced 14 months ago and the Government has taken an inordinate time to get its act together and bring forward some practical regula-tions concerning the operation of such accounts. It is believed; toe that using Rigerians with finds outside the country will be extremely reluction to repairint them since few af them are likely to have any great confidence in the Govern-ment's assurances that they will in any way. There is a very real

stration at some future date will disown the present government's policies. There are some real doubts too over the viability of the scheme. Already with a weaker naira and the 30 per cent import levy imposed in the budget, import prices are rising steeply.

danger that a different admini-

The second window could lead to import price increases in excess of 600 per cent after allowing for a 450 per cent exchange rate mark-up, the 30 per cent levy, and the margin of profit that traders are likely to seek in using the second-tier.
It is argued that while such profit margins might be available on fast-moving items like motor vehicle spares or car tyres and batteries, the range of products that could absorb such price increases without being priced out of the market is a relatively narrow one. In other words, the demand

Other critics worry about the Nigerian penchant for smothering enterprise in a While on the surface the econd-tier market offers advantages all round, there are some

very real danger that far from liberalising the exchange mar-kets the authorities will merely create new layers of bureau

#### Effect on inflation

The system could have both favourable and negative implications for inflation. By increasing the supply of goods, it could help contain inflationary pressures, but more likely is rapid inflation. Include by steeply rising import prices as traders go all out to make the most of their foreign currency overatheir foreign currency opera-

If the two-tier market can be managed efficiently, it will help ease the scarcity of goods by allowing the importation of larger volumes of essential and non-essential imports and by mobilising idle balances held abroad by Nigeriaus. It would also have the beneficial effect of demonstrating beyond all doubt just how overwalned the doubt just how over-valued the naira is at its current official

Equally, it would be unfor-tunate if the system were to work, as some of its spensors intend, to enable Nigeria to continue to avoid the need for a comprehensive economic adjustment programme — one that includes a realistic exchange rate, in the official as well as in the parallel market.

The best outcome would be one that convinced the authori-ties of the benefits to be resped from financial liberalisation— but without careful management and possibly some initial seed capital in the two-tier for import licences could fall seed capital in the two-tier well short of the levels market from the first window-currently amicipated by the that may be asking too much.



Conventional wisdom says government ownership of newspapers is incompatible with editorial freedom. At the New Nigerian Newspapers we have been proving in the last 20 years since we started business that such wisdom can be

NNN is fully owned by the Federal Government of Nigeria but we are one of the most outspoken and respected newspapers in the country, read widely by leaders of government, business and industry. Even our rivals say so. Says the independent Nigerian Guardian "The New Nigerian has sustained its excellent technical quality and the tradition of editorial outspokeness it established right from its birth."

At the NNN we publish the New Nigerian daily, the Sunday New Nigerian weekly and the vernacular Gaskiya Ta Fi Kwabo thrice weekly

And at the NNN we are also commercial printers, stationers. real estate developers and packagers.



Tel: 201429-4. Telex 71120 HENRIG MG. P.O. Box 2005, 220A Apapa Road, Ijera, Lagos. Tel: 876104, 876224. Telox 22642 NEWHIG NG.



### **UK** investment in industry still valuable

Foreign participation

WHILE much is made of Nigeria's importance to Britain as a major trading partner, the role of Britain foreign investment in Nigeria is often overlooked. The most recent data available (for 1962) show that in flust year foreign investment was valued at some M5.5bn of which the British share was almost M5m, or 37 per cent. The table shows that the British share of foreign investment in Nigeria shrank from the British share of foreign investment in Nigeria shrank from the per cent in 1962, while the US share investment of N2.2bn, no less cent in 1982, while the US share was effectively maintained. The shares of other Western Euronean countries increased sharply from 23 per cent to 29 per cent. the sense of unremitted profits) The bulk of the foreign investment la in manufacturing (36 per cent) and trading and business services (28 per cent).

The mining share (mainly oil) is just short of 20 per cent. It doubled between 1970 and 1977, when it reached N1.1hn and when foreign investment in the petroleum sector accounted subsequent indigenisation de-crees and state participation

crees and sinte participation substantially reduced the foreign equity stake.

Published figures show the stock of foreign-owned capital in the economy growing at an annual rate of 15 per cent between 1970 and 1982, though actual net inflows through the foreign archanges ware for less foreign archanges ware for less foreign exchanges were far less. However, a closer inspection of detailed figures for the 1980-1982 period shows that of net foreign investment over the of short run commitments, some of them essentially involuntary. Thus, only M170m represented changes in foreign share capital.

200 - 200 -

وجواط شوا

\*\*\*

 $\epsilon = 2 \epsilon_0 \gamma$ 

22.4 ring to sign.

: # ##

The main source of new for-eign investment was "other lia-bilities," valued et a net N875m during the period. Of this more than N650m took the form of short-term liabilities, raising questions as to whether this constituted direct investment in the normal sense of the term. Indeed, similar comments

Therefore out of net foreign investment of N2.2bn, no less than N1.85bn or more than 80 per cent seems to have been either forced reinvestment (in or short-run liabilities, much of which will eventually find its way back into the foreign pay-

ments pipeline.

Balance of payments figures support this rather sobering assessment of Nigeria's foreign investment record, suggesting that the country has at most in the past five years, attracted some N800m in new direct investment from abroad—no more than N160b a year.

The Central Bank's analysis of the paid-up capital, excluding, reserves, of all partly and wholly-owned foreign firms in Nigeria, suggests that in 1982 almost half the share capital of almost hair the saure capital or Nigerian companies was owned abroad, with foreign ownership least in the petroleum sector (21 per cent) and greatest in transport equipment (67 per

cent). The bank's figures clearly inthree years of some N22bn, a dicate that Nigeria needs to bigh proportion was in the form attract more long-term capital of short run commitments, some inflows to boost job-generation, of them essentially involuntary, improve technology and streathen the balance of pay-

Patti Waldmeir observes a lively gathering of Union Bank shareholders.



### Bank meeting Lively bank AGM

THE QUEUE begins to form on loans, and the high level of before 7 am in the haze of a directors salaries.

January morning in Lagos The speakers are careful to provide plenty of light relief to temper their harangue—one continues.

The event of the day, the amount general meeting of the Union Bank of Nigeria, one of the country's largest hanks, will and the directors (even those imported for the occasion from Barciays Several hundred of the bank's 26,000-odd sharebolders (or, in many cases, their proxies) are natiently waiting at the deor.

The performers are the so-called "agm boys," a handful

somewhat of an institution in Nigeria.

Shareholders, many of whom plead pressing business elsewhere, may skip the meeting but won't fail to send affice measangers and secretaries, wives and daughters clutching their proxy cards to collect the covered present.

According to bank officials, it's a rare agm which passes off without a scuffle at the gifts table, as tempers overheated by waiting flare up when the presents, inevitably, run out.

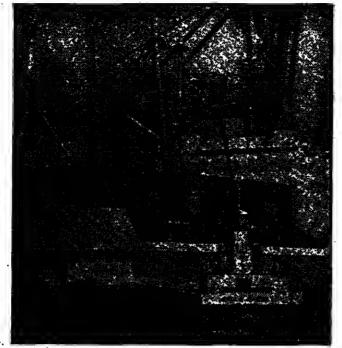
High passions, at first glance, appear to be the corder of the day inside the conference half as well, where corpulent share holders decked out in richly of poor service at the bank's branched, its low recovery rate

corrected are patiently waiting at the deor.

Their eagerness, as bank public relations officials candidly admit, may not wholly be explained by a diligent concern for the proper management of their investment. Mr. They come for the give-aways.

The distribution of agm gifts which may range from mandant items like diaries and calendars to more imaginative offerings such as the cassavament packets given out at a recent Texaco Nigeria agm somewhat of an institution in Nigeria.

Shareholders, many of whom plead pressing business else-



The balk of Nigeria's foreign investment is in manufacturing, trading and business services

Foreign investment in Nigeria

US Other Western Europe

Austerity and recession help to boost company results, reports Tony Hawkins

### Corporate profits still rising

handsomely from less than 9 per cent in 1983 to 12.7 per cent in 1984 and 16.2 per cent last year, in the last two years have come from a weak trade union movement, firm labour discipline ment, firm labour discipline ment and decline in turnover.

not last through 1985. In the event, the trend was not just

Is in sight.

Nonetheless, the ability to maintain and increase profits in the face of stagnant or even decilining turnover points to some improvement in oroductivity and efficiency as belt-tightening stimulated more effective business management. In the food sector, Food Specialists announced a 24 per cent decline in turnover during its most recent reporting period, but pretax profits more than doubled.

Patterson Zochonis reversed heter management. The profit gains seem even more impressive because they were achieved in an industrial sector operating on average at less than 40 per cent of installed capacity.

Also important has been the switch into higher mark-up items as output has contracted or stagnated. Production schedules have been re-oriented to allow firms to concentrate on the higher margin items, thereby exploiting scarce raw material supplies to tha fullest.

CORPORATE profitability in a 10 per cent 1984 turnover de-Nigeria, an unusual hy-product cline with turnover growth of of austerity and recession, has continued to thrive amid in-creasing predictions that this al-most hizarre trend is unlikely to be maintained through 1986. half of last year in spite of a 15 most hizarre trend is unlikely to be maintained through 1986. The 1864-85 results for some 46 quoted Nigerian companies show that while gross turnover was marginally higher — up 2 per cent — pre-tax profits increased by 30: per cent. Profit margins — (pre-tax earnings as a ratio of turnover) widened handsomely from less than 9 per mal decline in turnover.

two years.

A year ago industrialists under the Buhari regime, large-described the surge in profitsbility as "a one-off" that would ing rundown in raw material stocks and inventories of finished goods, the normal holdmaintained but accentuated, ing gains experienced under in-though in early 1986 there is a flation and productivity im-strong consensus that a reversal provements, associated with is in sight.

Business leaders say that this is explained by the change over to the more tolerant Babangida regime as well as hy

the tightening of the ansterlty screw and especially the 2 per screw and especially the 2 per cent wage cut imposed late last year. But more telling than this is the likelihood that hy early 1986, the once-off gains associated with a recessionery economy have been exhausted. There is little scope for further leeway in the realms of re-trenchment and inventory reduction, whila at the same time, the 30 per cent import levy, naira depreciation, accelerating disposable incomes are likely to make it harder then ever to secure meaningful profit gains. It is true that the scarcity factor will allow the middlemen to continue exploiting demend opportunities, hut the nrganised business sector—and certainly the industrial comhighly inflationary economy. It
panies—are hardly likely to is argued that when new and
benefit meterially from this replacement investment besituation.

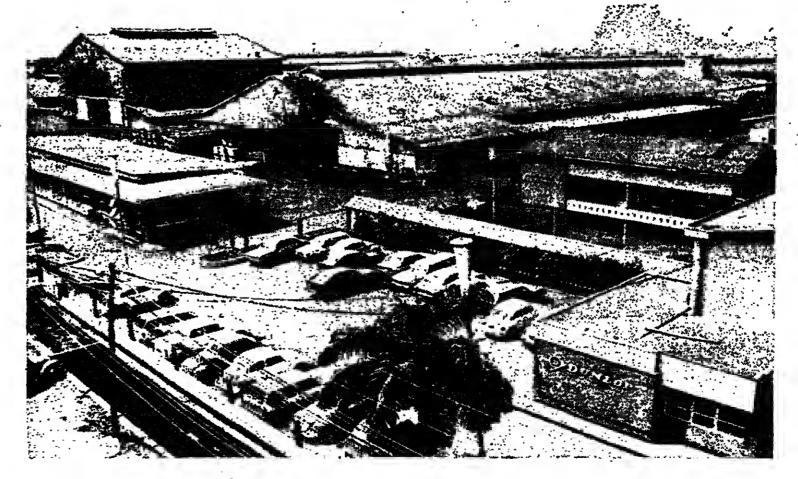
certainly the industrial comhighly inflationary economy. It
replacement investment besituation.

budget with its sliding-scale surcharge on after-tax profits ranging from 5 per cent to 15 per cent depending on the level of profitability. This will trim shareholder returns 3s also will the similar surcharges also will the similar surcharges

Secondly, foreign companies with Nigerian associates and affilietes are carrying substantial costs in the form of the depreciating velue of dividend income. The receipt of the income itself at corporate headquarters was substantially delayed by the foreign exchange crisis. At the same time, many associate company suppliers have been waiting years for payment of trade arrears, which has edversely affected headquarters profit-ability.

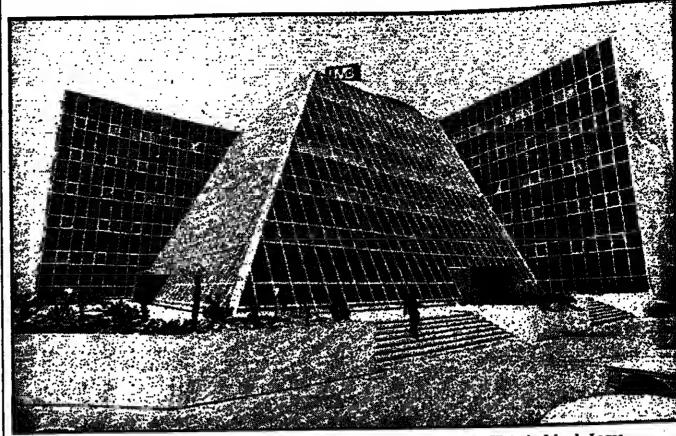
Above all, with inflation of 70 per cent since 1982, real profits are much below reported profits. Some husiness men believe that there has been serious erosion of the corporate capital base because inadequate depreciation provisions associated with historic cost accounting in a highly inflationary economy. It In any eveot, the pre-tax many companies will find them-profit figures are somewhat selves in a liquidity hind partly misleading on three main hecause their reported profits counts. First, higher corporate during the recession substan-

## Nigeria's economic growth depends on industrial self-reliance. NIGERIAN INDUSTRIES is poised to meet the challenge.





MANUFACTURERS OF TYRES, FLOORING MATERIALS AND INDUSTRIAL ADHESIVES



The impressive headquarters of the Internatio nal Merchant Bank at Victoria Island, Lagos.

## A marked slow-down in public sector borrowing banking programme which has required them to open up un-profitable branch offices in remote parts of the country. At the foot of the profitability pyramid come the so-called indigenous banks, many of which are poorly managed and carry asset portfolios contain-

Banking

TONY HAWKINS

NIGERIA'S HEAVY indebtedness to the banks—domestic as well as foreign—has long been a major source of concern to the banking fraternity. While in the past, Nigerian business has been extremely profitable —so much so that during the last year, some of the domestic banks have been able to publish sparkling results—the lish sparkling results—the major international banks have recently been reining in their offshore lending to Nigeria in reaction to plumeting oil prices and the seemingly interminable

ings. Despite this, Nigeria's bank exposure remains very high— the third highest in Africa, after South Africa and Liberia.
Statistics compiled by
Organisation for Economic operation and Development (OECD) and the Bank for International Settlements (BIS) show Nigeria's borrowings from international banks at \$9.5bn in mid-1985

Comparisons

Although banks say they have been cutting back on Nigerian lending, there was, in fact, an increase of close on US\$1bn in the first half of last year, but the June 1985 figure was still below the US\$9.8bn recorded at the end of 1983. However, the medium-tarm trend clearly reflects a change

in bank exposure strategies.
While Nigeria's bank borrowings doubled between 1980 and 1983, there has since been a modest reduction in exposure a trend that is likely to be maintained over the next 18

Although Nigeria's US\$9.5bn exposure pales into relative insignificance against the \$78bn ontstanding to Brazil, \$72bn for Mexico and \$32bn for South Korea, it still ranks the top 20 of the banks' international more than 50 per cent annually creditors and, given the continuing impasse with the IMF on the one hand and the export

One result of this growth paternational more than 50 per cent annually compared with only 14 per cent timing impasse with the IMF on the private sector. on the one hand and the export credit agencies on the other tern has been the effective over rescheduling, its hardly doubling of bank liquidity ratios surprising that it is giving at in the past five years. Bank least some bankers a high quota in the past five years. Bank of sleeplers nights of sleepless nights.

or steepiess mights.

In particular, tha fact that
more than \$30n of these bank
borrowings had a maturity of
up to a year at a tima when up to a year at a tima when Nigeria's foreign earnings are under pressure from falling oil prices has given rise to speculation that the banks might just go it alons and seek to reschedula their Nigerian lendings even in the absence of an IMF deal.

The public sector is Nigeria's

The public sector is Nigeria's borrower from the foreign banks accounting for 48 per cent of total bank loans, while the non-bank private sector has a 35 per cent share. Most of the balance—12 per Most of the balance—12 per cent—takes the form of international bank lending to banks in Nigeria. Public sector borrowing dominates domestic bank lending as well with loans totalling N19.5bn in September last year—almost 60 per cent of net credit to the domestic

conomy.

Bank lending to the Government took off during the period of civilian rule increasing at an between 1981 and 1983, but the military Government succeeded in slowing the annual growth rate of its borrowings to a mera 11 per cent in its first two years in office.

This marked slowdown in problem is gleaned from public sector borrowing was reflected in substantially clower tredit expansion during the past Nigeria's Big Three retail banks redit expansion during the past two years. Total credit recently established a Debt increased 70 per cent in the Recovery Unit, while reporting 1981-83 period, slowing to 10 bad and doubtful dabt proviper cent during 1984—the first sions of some N56m — equiva-

debts - roughly 11 per cent

Despite this large provision

and a small 1.8 per cent decline

in total lending. Umon Bank, in which Barclays has a 20 per cent stake, still managed to

in pre-tax profits taking earn-ings to N8im. This is because

net interest revenue was up 16 per cent reflecting the invest-

ment of low-cost funds chiefly

The accounts show income

from treasury bills and certifi-

cates increasing N37m to N163m in the year to September, 1985.

which on its own explains the

At the same time, however, there has also been a marked

improvement in bank efficiency evidenced by an increase of only

source of the growth in bank liquidity is the holding by the banks of Naira deposits which will eventually be exchanged for

promissory notes as they are issued. A further N3.3bn of

notes is scheduled to be issued by October, which will both sub-

stantially reduce the banks' deposit base while also denying

them the income from treasury

Understandably, deposit growth has been uneven with the emphasis on time and sav-

ings, deposits which increased 72 per cent in the four years to 1985 as against a 25 per cent

Bank, Union Bank and the United Bank for Africa (UBA)

-accounting for upwards of 50 per cent of total activity.

By mid-1985 there were 28

commercial banks operating 1,230 branch offices around the

country, and 11 merchant banks, Tha merchant banks are

relatively more profitable, man-

aging to earn upwards of 1 per cent on total assets while the

big three clearers—UBA with 0.88 per cent in 1984, Union Bank with 0.70 and First bank

with 0.61 per cent-show lower

rise in demand deposits. Banking activity remains highly concentrated with the

per cent in overhead costs. On the deposit side, a major

in Government securities.

Explanation

profit surge.

achieve a 42 per cent incre

Chief M. O. Balogun, the chairman and chief executive of the First Merchant Bank. By mid-1985, there were 28 commercial banks operating 1,230 branch offices in Nigeria, and 11 merchant banks.

of its book.

year of military rule—declining lent to almost 70 per cent of further to no more than 5 per pre-tax profits. The bank has cent in the nine months to N183m set aside to meet bad cent in the nine months to

September, 1985. This meant that the authorities stayed within their credit guidelines, set out in the budget a year ago, of 7 per cent mone-tary expansion in 1985. It is part of the Government's antiinflation strategy in 1986 to maintain this more modest rate of credit expansion.

Commercial bank lending grew at an average annual rate of 25 per cent a year in the period np to 1984, with Government borrowing expanding at more than 50 per cent annually compared with only 14 per cent

68 per cent — way above the statutory 25 per cent require-ment. One reason for this steep increase is the real decline after adjustment for inflation — in private sector credit demand reflecting a aluggish economy along with high levels of corporate liquidity.

But more important has been the growth of bank holdings of Corporate in Securities.

of Government securities, especially treasury bills. Bank holdings of treasury bills soared to more than N8.2bn last September from N2.2bn in 1981. Today, the banks are estimated to hold 55 per cent of their total deposits in the form of govern-ment securities — np from only 25 per cent in 1980.

Compensations

Normally, being underlent is bad news for bankers, but in Nigeria being able to earn 8 per cent and more in riskless activities, such as Government bills, has very real compensations especially when grave doubts are expressed about the quality of so moch of their banks other assets notably their loans to state governments and to small- and medium-sized

Some idea of the scala of this recently established a Debt

divest from Nigeria is the result not of poor performanca minority-owned foreign banking

ventures no longer fit into the two groups' international corporate strategy. Interest rates are controlled by the Central bank and this year, both deposit and lending rates have been left unchanged at their 1985 levels—9 to 10 per cent for deposits and a maximum lending rate of 13 per cent. In the budget, the Government stated its intention of narrowing the gap between lending and deposit rates which

carry asset portfolios contain-ing a high proportion of loans to high-risk borrowers. Profitable though banking has

been for the international banks, at least two of the major

foreign banks are in the throes withdrawing from Nigerian scene. Chase Man-hattan which is trying to sell

Merchant Bank of Nigeria While

In both cases, the decision to

The street of

....

er in the

Charles and the Contract

 $\lim_{n\to\infty} \frac{1}{n} \frac{1}{n} = n$ 

...

ting our gra

Morgan Guaranty had agree

Strategies

would reduce the obtained by the banks. the spread Real rates have been substantially negative in recent years — reaching a negative figure of more than 30 per cent for both deposits and loans in 1984. The steep decline in inflation last year resulted in a momentary return to positive rates, but this year, with inflation forecast to exceed 30 per cent the raturn to negativa real interest rates will come under criticism from the IMF at any resumed discussions for

a new fund programme.

There are at least some signs that the Babangida Government is committed to the financial ficantly benefit the banking

The credit allocation system requiring banks to lend stipulated ratios of their total loans to designated sectors is slowly being rationalised. The number of sectors has been reduced from 15 (of which 10 were prefarred sectors) to four.
Around 75 per cent of bank lending has to be directed to the preferred sectors — with industry at 45 per cent being the chief target followed by agriculture at 12 per cent

agriculture at 12 per cent..
In the past, these criteria bave been made more rather than less rigorous through Rovernment insistence that-as 80 per cent of credit to indige nous borrowers, with 16 per cent being reserved for small-scale Nigerian enterprise.

The emphasis on indigenous loans was intensified in 1884 to

90 per cent but subsequently dropped as partial liberalisation to lend to small scale enterprise three main retail banks-First remains.

A major shortcoming has been the failure of banks to reach the specified targets resulting in excessive lending to services, government and other

banks.
While the Government's anxiety over lending to small enterprises and to agriculture is readily understandable, experience shows also that it is costly and ineffective. The con-tinuing failure of rural development programmes to take root suggests that an incentive approach rather than more and rates of return partly as a con-more financial sequence of Nigeria'e rural what is needed. more financial repression is



FACET FINANCE RESult Oriented

114 Efert Street House, Opposite Central Bank, 2/4 Customs Street,

1, 20, 50, 60, 600

FACET
FINANCE

Cordially invites
members of the business

community to a

problem-solving

session

FEDERAL PALACE: NIGERIA'S PREMIER HOTEL WHERE EVERY VISITOR RECEIVES ROYAL SERVICE

The future of Nigerian industry remains highly uncertain, with shortages bringing many factories to a halt, as Peter Blackburn reports here.

### Shortage of raw materials

NIGERIAN INDUSTRY continues to limp along slowed down by a shortage of raw materials and spare parts and with the ingensity of managers increasingly stretched in order to maintain profits despite a sharp decline in turnover and rapidly shrinking stocks.

A particularly painful situation in Nigeria's Cross River State adjoining the Cameroun border was recently highlighted by the 38-year-old military governor, Colonel Dan Archibons.

Dan Archibong.

The Calabar Coment Com-pany one of the country's most modern, is virtually closed due to a shortage of spare parts and import licences. The Asbestonic water pipe factory is "on its knees" because the is "on its knees" because the state government has no money for any water supply schemes. Some N3.5m provided to the state plywood company Seromwood in 1983 has "vanished into thin air" and it now does

not even have a saw.

Elsewhere, the future remains highly uncertain as factories grand to a halt after running out of raw materials and spare parts pending the issue or the first batch or 1986 import licences expected by the end of February. Some managers have chosen to reduce shifts and scale down produc-tion in order to remain in

operation.
Even if new import licences are issued shortly and letters of credit can be confirmed many factories will not be able to restart production until June due to the time taken to order, inspect, ship and clear goods through Lagos port.

years before debt service becomes more manageable and greater government resources the use of public sector funds.

materials, according to the fulfilled.

Mr Fafowara complained, bowever, about certain harmful, approximately petroleum and manufacturing sectors. The as well as policy contradictions in the budget, as well as policy contradictions in the budget.

The 50 per cent reduction in the budget, and textiles even sult in higher transport costs though the supply of import though the revenue saved is inhibences fell far abort of demand.

And in the 1986 budget fulfilled.

Mr Fafowara complained, bowever, about certain harmful, bowever, about certain harmful, the exchange rate (value) of the maira, "according to MAN.

It urges that such licences be insued only for priority imports like "medicaments, pesticides, raw materials, spare parts and agricultural equipment."

Mr Fafowara complained, bowever, about certain harmful, the exchange rate (value) of the maira," according to MAN.

It urges that such licences be insued only for priority imports like "medicaments, pesticides, raw materials, spare parts and agricultural equipment."

Mr Fafowara complained, bowever, about certain harmful, the exchange rate (value) of the maira," according to MAN.

It urges that such licences be insued only for priority imports like "medicaments, pesticides, manufacturing in the budget, "The 50 per cent reduction in the workd oil market and consequent shortage of furcign the exchange rate (value) of the naira," according to MAN.

It urges that such licences be insued only for priority imports like "medicaments, pesticides, manufacturing in the urge industry to reduce issued only for priority imports like "medicaments, pesticides, manufacturing in the urge industry to reduce issued only for priority imports like "medicaments, pesticides, manufacturing in the urge industry to reduce issued only for priority imports like "for per cent dependence on like "medicaments, pesticides, manufacturing in the urge industry to reduce is 70 per cent dependence on like "for pe

**Prospects** Industry

speech Major General Ibrahim Babangida said that the Govern-ment aimed to raise industrial output to 55 per cent of

capacity.

To this end manufacturing industry will be given second priority, after agricultural chemicals and spare parts, in the allocation of licences to import raw meterials and

spare parts.

President Babangida added that Government policy was designed to "restructure and diversify" the economy so as te reduce dependence on oil and imports.

Another budget theme was

the privatisation of public enterprises judged to represent an "unneccessarily high burden on Government resources." Government subsidies will be Forecast

Forecast

It will be another very their financial requirements difficult year with the first sax there are practically no stocks

Government subsides will be reduced by at least 50 per cent and public enterprises will be expected to raise the balance of their financial requirements through Lagos will be expected to raise the balance of their financial requirements through Lagos port.

Government subsides will be reduced by at least 50 per cent and public enterprises will be expected to raise the balance of their financial requirements and public enterprises will be expected to raise the balance of their financial requirements and public enterprises will be expected to raise the balance of their financial requirements.

The Government subsides will be expected to raise the balance of their financial requirements and public enterprises will be expected to raise the balance of their financial requirements.

The Government subsides will be expected to raise the balance of their financial requirements.

The Government subsides will be expected to raise the balance of their financial requirements.

The Government subsides will be expected to raise the balance of their financial requirements.

The Government subsides will be expected to raise the balance of their financial requirements.

there are practically no stocks
the carry over, "says Manufache holdings in agricultural proturers' Association of Nigeria's
(MAN) executive director, Mr.
Uladapo Fafowara:

"It will take another five
The First Bank of Nigeria."

The Government is to sell its
children in agricultural production, hotels, broweries,
distribution, electronics and all
non-strategic industries.

"The First Bank of Nigeria."

interest government resources can be released for productive investment, "he adds.

\*\*Meanwhile little new investment can be expected given political uncontainties, foreign exchange constraints, Government ment can be expected given political uncontainties, foreign exchange constraints, Government exchange and poor infrastructure.

Industry is currently operational regulations and poor infrastructure.

Industry is currently operational endetion the government regulations and poor infrastructure.

Industry is currently operational endetion the government regulations and poor infrastructure.

Industry is currently operation to public enterprises over the same period.

Industry is compared with the period of 1983, accurding to industry estimates. This compares with the period of 1983, accurding to a Central Bank of Nigerla survey.

Anadest the general gloom and inactivity it is perhaps surprising to learn that real GDP rose & per cent. In 1985 compared with a 1.5 per cent during the first aix months of 1983 as a result of the extension of unused 1984 licences and increased allocations. It also reflected extra power supplies to industry and greater consumption of local raw materials, according to the Central Bank.

Growth was mainly in the agricultural, petroleum and manufacturing sectors. The



Cartons being printed in the packing department of the Paterson Zochonis detergent factory at

ply of food to urban markets. There is regret that the diesel subsidy was not kept because of its importance for industry. Similarly the 30 per cent import levy combined with the 5-15 per cent Recovery Fund levy. cut in subsidies to public enter-prises and depreciation of the

The import levy is seen as particularly heavy burden for small manufacturers with limited financial resources and should be regarded as a short-term measure. It is also regretted that the import levy makes no distinction between imports

MAN has this year been The First Bank of Nigeria brought in by the government point: in a report to the to advise on the allocation of staggering inefficiency" in import licenses in a move inthe use of public sector funds. tended to curb the "malpractice use of public sector funds.

of consumer and capital goods.

licenses not valid for fureign mated et \$6.75 billion in 1980, exchange have been issued "indiscriminately to virtually all facturing sectors.

export earnings, were "un realistic."

Oil prices have already fallen below the "conservative" hudget estimate of \$20 a barrel while high production costs have been further inflated by the budget and a continued sbortage of raw to generate sufficient output for

While entirely approving the while entirely approving the package of export incentives manufacturers are concerned about how it will be implemented. The "creaky wheels" of government bureaucracy should not be allowed to frustrate the "noble intentions" of the export programme. Export procedures must be "stream fined and simplified" and the "maze of cumbrous documenta-tion" eliminated.

#### Viewpoint

Although the naira has depreciated by over 30 per cent in the past two years it still needs to devalue a "lot more" before Nigerian exports will be competitive, according to Mr Fafowara. But be said that a "crawling" rather than a "sudden and massive" devaluation was more acceptable.

Manufacturing accounts for only about 8 per cent of GDP There is some concern, however, that there is no breakdown between agricultural and industrial inputs which may industrial inputs which may industrial activity is concernable to achieve.

MAN is also concerned that there is only about 8 per cent of GDP and less than 1 per cent of exports though its share in industrial activity is concernable in the production of relatively simple import substitutes, mainly consumer goods. Foreign investment was estimated at \$6.75 billion in 1980.

Government policies have in imports."

"Spawned by and further sustaining the black market in foreign exchange, this new development is bound further to domestic resources. The collapse worsen the destabilisation of the world oil market and convergence of functions.



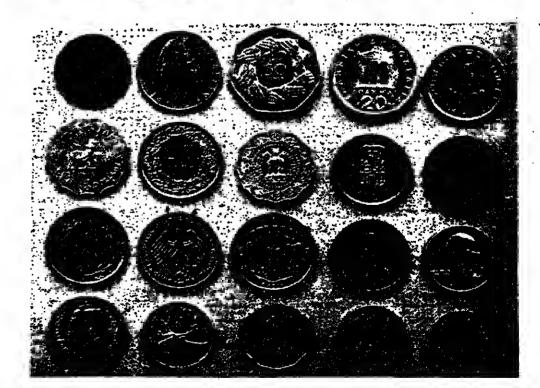
Women technicians making microbiological examinations in a laboratory in Plateau State

I, formerly known as **Chase Merchant Bank Nig.Ltd.** with this logo

from this day forward wish to be known and addressed as...



### Union Bank Serves Nigeria and **Enternational Business**



ASK US FIRST. A bank that is trusted by both Nigerian and International Businessmen. UNION BANK is one of the largest in Nigeria, and indeed one uf the top 500 banks in the world. With more than 190 branches in all parts of the Federation, assets well over \*2 billion, and upwards of 60 years tradition of banking in Nigeria, we are ideally placed

to help you.

UNION BANK offers a full range of modern banking services — retail and wholesale, personal and corporate, domestic and International. Our own proven capabilities are enhanced by first class currespondent banking relationships with access to global resources.

So when in Nigeria, or just contemplating doing business with Nigeria, ASK UNION BANK FIRST.

**UNION BANK** BROWBANK OF NIGERIA LINETES

40 Marina, Lagos-Telex: 21222 Telephune: 66t 668, 661810 London Branch 13, Moorgate London EC2 Tel: (01) 600 0751 Telex: 8813962 We set the pace ...

### Unemployment worsens

#### Labour

MICHAEL HOLMAN

ONE OF the most serious consequences of the economic and social crisis in Nigeria today according to the Nigerie Labour Congress, is the "high rate of unemployment which now inand professional managers."

It is a view shared by busi-nessmen and government alike. Accurate figures are hard to come hy, but the NLC, the country's central trade union estimates that at least 1m workers have been laid off since the recession took bold early in

the 1980s.

NLC officials arrive at the figure on the basis of the fall in their paid-up membership from a neak of 4m to the current 3m. To that figure should be added, say the officials, the many scores of thousands of non-unionised workers who have elso lost jobs.

According to Employment Ministry figures cited by the MILST, ngures extent by the NILC, the officially registered unemployed in 1983 totalled 500,000. "If we consider that only a small percentage of the unemployed go to the labour exchange we can safely argue that unemployment in 1993 was that unemployment in 1983 was over 5m. and this does not include the millions of underemployed in the rural and urban

areas," says the NLC.
These startling figures are horne out by other reports. The Manpower Board estimates that between October 1982 and October 1983, privete firms laid off nearly 30 per cent of their total staff, mainly in construction, manufacturing, processing and commerce.

The construction sector alone accounted for 37 per cent of the number of workers who lost their jobs in that single year.
School-leavers and graduates
beve been especially hard hit.
About 80 per cent of the unemployed in rural and urban ereas, says the NMB report, were under 25, while youngsters seeking employment for the first time made np over 30 per

cent of urban and rural unemployed.

Qualifications did not guarantee anyone a job. In urban areas, the report noted, uneming mood of frustration and ployed people with post primary militancy.

education comprised 69 per cent of the total in 1983, against 24 per cent in 1974.

While the analysis is distorted by the fact that an unemployed university graduate is far more likely to register as a job-seeker than an unskilled or semi-skilled labourer, the figures reveal the high level of graduate unemployment in a country where the post-secon-dary school system enjoyed e boom in the first two decades

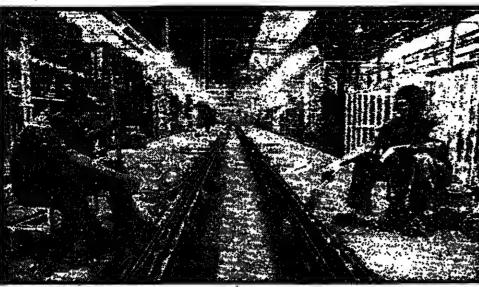
No relief is in sight. From around the country comes re-ports of manufecturers and industrialists, who are on ever-age operating et 25 to 30 per cent of capacity, laying-off labour and putting their exist-ing workers on three- or fourday weeks, ckeing out supplies of the essential raw materials which are now becoming scarce.

At the same time an effective wage freeze since 1981 has been worsened by inflation (between 1978 and 1984 the consumer price index rose about 180 per cent), making tha official minimum wage of N125 (plus a N25 housing and transport allowance) worth e fraction of its former value.

The climate of austerity is also being felt in the civil service (where recruitment has been cut to a minimum) and ranks of the military. The civil aervice, police, judiciary, university teachers and workers in state-owned companies bad their salaries cut by be-tween 2.5 and 20 per cent with effect from November 1 1985. In the armed forces there were

similar cuts.
Union officials acknowledge that in these circumstances their bargaining power is limited: for every worker who might put his job at risk by striking there are dozens ready to take his or her place. The union movement itself, while benefiting from the reforms of the late 1970s which reduced the number of unions. reduced the number of unions from 1,000 or more to about 70, remains weakened by intra-union disputes.

The NLC and its affiliates beve little influence on the wildcat strikes and work-to-rule disputes that mark industrial relations in Nigeria, the em-ployers claim.



Car workers cleaning the now empty Land Rover assembly line at the Leyland

### Setback over local content

Components PETER BLACKBURN

"REVAMPING" has become e key word in official jargon as the Government increases pressure on the automotive industry to meximise the use of locally

manufactured components.
The initial deadline for phasing out components imports was the end of this year. Not only will this not be met hut officials are concerned that the local content in passenger and commercial vehicles assembled in Nigeria is actually decrease. in Nigeria is actually decreas-

There is also general scepti-There is also general scepticism in the industry that the new ten-year deletion programme target can be met.

Motor Industry managere consider it "meaningless" to fix deletion targets until local manufacturers are ehle to provide regular supplies of suit-

vide regular supplies of suitable quality components.
But the industry recognises that imported KD kits are probably the most expensive way of making motor vebicles—beceuse of the high packing, transport and handling costs. A car consists of soma 4,500 Items and these packing and unwackand then packing and unpack-ing is lengthy process. At the same time the foreign exchange element represents

only about 30 per cent of the final cost of vehicles assembled in Nigeria. The remainder is made up of customs and excise duties, the import levy and a beavy mark-up by retailers profiting from strong demand and scarce supplies.
For instance, Peugeot 404

pick-up trucks fetch N15,000 on the open market or 66 per cent more than the controlled fectory

Motor assemblers consider that much of the criticism by the Press and Government of their failure to increase local content is unjustified.

"We are willing to buy locally provided that quality, quantity and consistency can be guaranteed," saye the Volkswagen managing director, Mr Klaus von Bothmer,

Klaus von Bothmer.

A big problem is that component manufacturers prefer to sell to outsiders who are able to pay much higher prices than the assembly companies. There are acute shortages of most components. Tyres and batteries, for example, sell nn the open market for quadruple their official prices.

Local production of com-ponents is at least 25 per cent more costly than imports, and assemblers urge that this should be reflected in the vehicles' official selling prices.

There are now about 40 local antomotive component manufac-turers. Most of the largest

Bedford

Steyr

Commercial vehicle retail sales

Leyland Nigeria

ere based in Ibadan. They includa Triplex (windscreens), Turner Engineering (brake linings and gaskets) and West
African Batterles. Dunlop
Nigeria, based in Lagos,
recently resumed production
efter a strike lasting several

New British investments include e sparking plug project in Lagos and a shock absorber factory in Ondo State. There are also many other investment opportunities, including the local manufacture of gearboxes and engine parts, chassis and steering components, officials

Say.

To encourage closer co-ordination between assemblers, com-ponent manufacturers and tha has set up e committee on "Standards and Rationalisa-

Various production bottle-necks need to be cleared, according to the 14-member motor vehicle and miscellaneous assemblies group. It points to a shortage of suitable quality local raw materials such as steel.

(January-September 1985)

5-10 tons

1,678

64 552

1,373

2-5 tons

592

2,613

### Rationalisation plans being studied

the pile of wrecked packing cases across tha courtyard from his office in Lagos.

The cases contained com-pletely knocked down (CKD) kits of Peugeot 404 pick-up trucks imported under Scoa's barter trade deal with Nigeria. But it also seemed as if tha cases had had e rough ride through Lagos port, for various key parts were missing. Peugeot parts are scarce in Nigerie and fetch a big premium on the open market. It will be a long

and laborious process replacing

Arrival of the CKD kits enabled Scoa to resume assembly operations in mid-January after a three-month stoppage. But sales are being held up while the Government considers Score request for a considers Scoe's request for a price increase to take account of the extra costs resulting from 30 per cent import levy imposed by the budget.

Peugeot's passenger car assembly plant in Kaduna, which imports CKD kits under the same barter deal, stopped production et the end of January pending approval of e price increase.

The competitor, Volkswagen, which assembles Beetles and Passats in Lagos from kits imported from Brazil under e \$500m harter agreement as well as German kits for Santana cars, stopped "normal opera-tions" on January 27, Mr Klaus von Bothmer tha managing director, confirmed. But no VW workers are being

laid off and it is hoped to re-sume production within six weeks of receiving licences. Despite the production prob-

Tetal

1,994 2,233 878 1,253

7,065

"IT WAS a rough passage lems and an uncertain future, through the Bay of Biscay," Volkswagen plans to invest said Mr Ed Lane, Scoassembly's N42m over the next five years, managing director, surveying says Mr Von Bothmer. The lems and an uncertain future, investment would be entirely financed through cash flow and be spent on a new assembly hall, press and paint shope. Volkswagen has already inves-ted N110m and kept all its earnings within the country, he

been more fortunate than most of their competitors in the Nigerian motor industry, which is plagued by a lack of import licences and surplus capacity.

The sharp cutback in govern-The sharp cutback in government spending has reduced the demand for beavy vehicles to work on construction projects. Similarly, the fall in imports has reduced the need for vehicles to transport goods into the interior.

The only other of Nigeria's eight motor vehicle assembly companies atili in production is Scoassembly's neighbour on Apapa's Creek Road Federated Motor Industries (FMI).

#### **Motor industry**

PETER BLACKBURN

A division of the United Africe Company, FMI began assembling Bedford trucks in 1959 and prides itself on never nearest it cama to doing so was in 1984, when it brought forward the workers' annual leave by several months.

FMI bas lower overheeds than the nther newer assembly com-panies. It also has greater production flexibility through its important body-building sec-

It is currently operating at just over 25 per cent capacity of its double shift capacity of 15,000 vehicles a year and can continue for another two months with its present licence

Nigeria, whose Range Rover ways of standardising producend other assembly lines in tion by reducing the number of
Ibadan ground to a balt at the
end of January. The sweepers are now the most active Meanwhile, plans approved in

et the end of February.

Despite a smaller licence
allocation—equivalent to only 11 allocation—equivalent to only 12 per cent of design capacity—Leyland increased its ontput by nearly 40 per cent last year to 2,632 units. It also recorded a small trading profit compared with big losses the two previous

Ovarheads have been substan-Cyarheads have been studentially reduced (the workforcists down to 150 from 1,700 in 1984) and throughput increased. Sales of the three-tonne Missubishi Canter, which Leyland assembles among its six product range, did especially well last

Efforts to make fuller use of current capacity of 9,000 units a year continue to be frustrated by an unfavourable allocation of import licences. Leyland's ellocation in 1985 was only onethird that of its main competi-tor, Mercedes Benz.

Leyland has accumulated losses of N44m since it began production in 1979, and the managing director, Mr Richard Moriey, warned: "There is

Moriey, warned: "There little time left before permanent closure." If that happens Leyland'e showpiece fectory at Ibadan could become a museum exhibit or a monument warning poten-tial new investors of possible

pitfalls.

Anambra Motor Manufecturing, which assembles Mercedes trucks in Enugu, stopped production last November, but it still captured 30 per cent of the heavy commercial vehicle market and shared the leading

position with Leyland. National Truck Manufacturing, which assembles Fiat trucks in Kano, and Steyr, based in Bauchi, have both been shut several months. According to industry reports Steyr may start assembling military vehicles, while National Truck could switch to

assembling Japanese light com-mercial vehicles.

The Industry Ministry has been considering measures to location.

Not so fortunate is Leyland

It is believed to be studying

workers there.

The factory is likely to remain government to create five new 1982 by the former civilian closed until June when fresh Japanese light commercial kits arrive under import vehicle assembly plants beve licences expected to be issued been gathering dust

Wherever you go in Nigeria the name UAC rings a bell. UAC products and services are available everywhere through our warehouses and distribution points in all parts of Nigeria.

UAC is the largest company Nigeria's private sector. In 1984 our turnover was ₹596.1 million (USS 663.5 million) with a staff strength of over 10,000 penple. Today we manufacture foods, meat products and ice cream, skin cream and toiletries. We also have the largest packaging factory in Africa and the largest sawmill and timber processing unit. We build trucks and motor bodies,

assemble, install and service airconditioners. And we sell and service earth-maving equipment too. UAC is a Nigerian company run by Nigerians. 60% of the shares is owned by 133,000 Nigerian individuals and institutions while 40% of the company's equity is owned by UAC International, part of the worldwide Unilever Group. We have been part of the development of Nigeria for over 100 years and we expect to remain in the lead in developing Nigeria 100

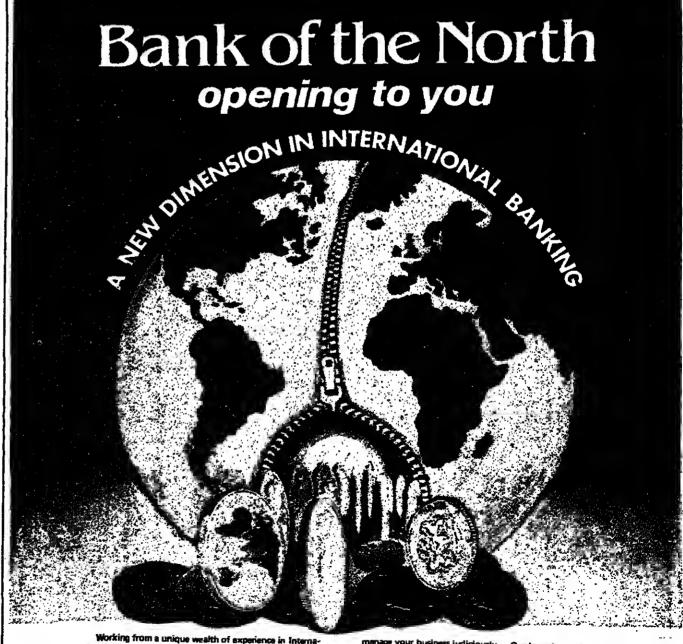
The changing skyline of Nigeria-UAC is part of it in the country at our Training Centre.
UAC has the benefit of inter-

years from now. We are apending ₹25 million (US\$ 27.8 million) to boost agriculture and provide more food, including №6.5 million (US\$ 7.2 million) in reafforestation to provide raw materials for our particleboard mill Over 835 Nigerians in responsible pests today have benefitted from

nur secondary and university scholarship awards, and we run the best staff training programmes

national partners who help in providing modern technology and management methods. The sky-line in Nigeria is ever changing and UAC is part of it,

**UAC OF NIGERIA LIMITED** Always meeting the challenges of the times



Norking from a unique wealth of experience in Interna tional Banking and Finance, Bank of the North knows what it takes to handle the complexities in international trade all over the world. The secret of our success lies in our singula

bility m combine known possibilities in financial structuring to existing banking facilities to make your mone profitably well at every possible moment around the globe. Apart from this we know

numerous sources of fund, how to gain access to them and make the best choice to

as judiciously. Our branches and offices which are well located in centres of Irade and industries throughout Nigetia are closely connected to e world-wide network of carefully selected correspondent banks. Bank of the North therefore, ensures your transactions are carried out in the most reliable and efficient manner. Little wonder multinationals and corporation keep turning in to Bank of the North to achieve corporate funding and investment goals. Call in today and we'll open you up smooth ly to the excitingworld of

International banking.

Bank of the North Limited

Head Office: 5A/8A Lagos Street, Kano, Nigeria Tel: 064-620470, 625428 Telex: 77233NG

### A recycling success story

#### Imports substitution PETER BLACKBURN

A REMOTE mountain-ringed plain some 30 km north of Jes in Plateau State is the scene of one of Nigeria's largest and most highly integrated agro-industrial projects.

Promoted by Brewery Agro and Research Company, a wholly-owned subsidiary of cos International Breweries, the N80m project aims to reduce dependence on imported raw materials and to recycle waste materials and to recycle waste products from the brewery.

It involves the cultivation of sorghum and maize for brewing adjuncts to reduce dependence on imported barley mait. The project includes the develop-ment of 4,300 hectares for poultry, pig and cattle as well as rain-fed and irrigated crop

as rain-fed and irrigated crop farming.

"Wo were the first to move in this direction—before the Government introduced its imported raw materials deletion programme," Mr Sule De-Izan, BARC general manager says.

JIB, backed by its Danish technical partner Cerekem, conceived the project five years ago. Pilot farming on a 250 hectares area began in 1984.

On a drive round the 16 km by 12 km farm Mr De-Izan pointed out that three years ago the plain was covered with scrub interspersed with smallscrub interspersed with small-holder farms. Since then N20m has been invested in infrastruc-ture, buildings, machinery and equipment. Nearly 60 km of laterite roads have been built, 21 deep boreholes sunk and a

21 deep boreholes sunk and a
1700 kw power plant installed.
Most of 1982 and 1983 were
taken up with the complicated
process of land purchase
and boundary demarcation.
"Although there were fewer
than 100 households, there turned out to be 2,000 farmers on subdivided plots," Mr De-Izan

#### CASE STUDY: Jos International Breweries

Eventually N1.8m was paid in compensation and many of the farmers re-employed on the

1.18

potatoes, onions and tomatoes are grown. A second dam is being considered which could irrigate a further 250 ha. Hor-



Part of the control section at JIB's plant; waste brewery grains are later used as bulk ingredients of cattle and poultry foods

2m broilers and 6m day-old chicks will be sold annually, the latter to local and export

markets.
The bulk ingredients for chicken feed will either be grown on the project or derived from brewery or milling waste products. Waste, offal and feathers from the chicken processing plant will be converted into protein concentrate and added to the feed.

The basic feed for cattle is also wasto brewers grains and JIB's current production limits the number of cattle to 1,800. The cattle are reared on the feed-lot system whereby they are kept penned and given as much feed and drink as they want. Some 60 live cattle are

sold monthly.
Only local breeds are reared. Experiments including artificial insemination have been successfully conducted to combine the disease resistance of local breeds with the faster fattening characteristics of pure bred foreign cattle.
Two pig-breeding units with

a total stock of 688 pigs are operating. Commercial production has just started and is scheduled to rise to 3,600 fat pigs per year. Tests to supple-

farmers re-employed on the project. Local people make up 75 per cent of the construction and farming workforce of 800. Last year 1,440 ha were cultivated producing crops worth at least NL5m. The remaining 800 hectares of arable land will be planted in 1988.

As it was the height of the hot, dry season the fields were brown and empty except for a patch of green in the 10 has sprinkler-krigated plot where potatoes, onions and tomatoes are grown. A second dam is store, a grain-drying unit,

potatoes, onions and tomatoes are grown. A second dam is being considered which could irrigate a further 250 ha. Horticulture is considered to be the biggest single potential source of revenue from the project, according to project consultant for Jorgen Dinesen.

Poultry: farming is the project of parent stock delivered parent stock delivered during the last quarter of 1855. The nine state of the art parent the arable land area peeds to be stock-rearing and laying units and sorghum to meet risk of spreading disease. Some

### Measures await enactment

Export incentives CHRISTIAN TYLER

IN THE hope of reducing a dangerous dependence on oil exports, the Nigerian Governexports, the Nigerian Government has anneunced a programme of export incentives for industry. The ambitions goal, according to the Stato Export Promotion Council, is to raise the value of non-oil exports to around N1.5bn this year, which would mean raising the ratio of non-oil exports from 3 per cent to some 15 per cent of the whole.

incentives, to be funded from an import surcharge of 30 per cent, are supposed to be worth N990m this year. The list of measures is impressive enough, but the legislation to enact them has still to be propulated. promulgated.

The main elements of the proposed programme, according to government announce-ments and civil servants in-volved, are as follows:

"Exporters will be able to

retain a quarter of their foreign exchange earnings. The money, to be kept in foreign currency accounts in Nigerian banks, could be used to import raw materials or to travel abroad on sales missions (overcoming the present restrictions on foreign travel allowances). Some companies hope that

they will be able to exchange their retained earnings for naira at favourable rates on the new second-tier market. Import duty will be rebated on purchases of raw materials needed for export manufacture or processing. Those purchases will also be exempt from import levies.

Exporters will get preferen-tial treatment when applying fer import licences for raw materials.

Export licence procedures will be "liberalised and
Exporting firms will have
"pioneer status," with tax
holidays of three years or more for some firms especially those that export more than half their turnover.

Capital depreciation allowances may be increased for exporters' plant and machi-nery, probably from 10 per cent to 15 per cent.

There will be an export subsidy, with a total value of N5m initially, to encourage firms to buy their materials locally, since local inputs are often more costly than im-ports. Export performance grants may be made, with cash payments for each in-crease in export volume. An export price adjustment scheme will compensate firms

for other high local costs such as transport.

Banks financing exports will have tax relief on their interest income.

Discounting of trade bills fer exporters of "scheduled commodities" will be extended to other products.

some food and agricultural commodities, as outlined in the Finance Act No 2 of 1981, is lifted-except for goods whose importation is banned. Export credit guarantees

and insurance, announced at the end of 1979 but never implemented, are to be set np within the Central Bank this year at an estimated cost of

The Government is to en-courage the development of "free export zones" and will help businesses seeking new export markets.

### Business... **The Mandilas** Experience

arrie

WSU4H92

The development of Mandilas from a singlebusiness endeavour to a huge multi-company organisation is symbolic of the achievement of indigenous Nigerian enterprise. After the early days when Mandilas began retailing textiles and building materials, it was one giant step after the other.

The Volkswagen Beetle, and the world renowned Carrier airconditioners, among many other products, were introduced into the Nigerian market by Mandilas.

Being totally committed to the progressive development of Nigeria, Mandilas continued to invest its profits in providing more quality goods and services for Nigerians.

Today, the Mandilas Group comprises the CONTRACTS, MOTORS, AIRCONDITIONING, FIBERGLAS ENGINEERING CONSTRUCTION and TRAVEL DIVISIONS. Also in the family are PHOENIX ASSURANCE, **ELECTROLUX-MANDILAS** and NORMAN INDUSTRIES. Norman Industries symbolises

Mandilas' dedication to Nigeria's technological advancement. This subsidiary of Mandilas pioneered the manufacture of airconditioners in Nigeria and Africa.

We intend to continue investing in ventures consistent with the development of Nigeria, the aspirations of her people and the commercial interest of Mandilas.

PEKVEL

### Mandilas

Investing in Nigeria's development



Providing full range financial services tallormade to clients' requirements

Our services are offered with skill, flexibility, efficiency and personal touch. This personal touch by our resourceful specialists ensures that decisions are reached fast and in a way that its your particular requirements. Our functions cover all forms of investment banking and financial counselling services:

ons raise wider leates or technical solved with the help of the slells of our alists. Our Corporate finance services

use we advise in raising new capital either by stress placements, we also underwrite and

Acceptance credits, Bills discounting, Benk gue
Endorsements
 Poreign transaction involving Letters of Credit
 Commercial paper
 Commercial paper
 Pinancial Advisory Service
 Pension & Fund Management
 Ernort Promotion

We utilize a net-work of first-class Overseas Correspond banks with offices in all important centres of the world, who foreign transactions are involved. They are:

Bankers Trust Company Continental Bank Binole Menufacturers Hanover Trust Company Swise Bank Corporation Sweep Basis Corporations
Banque Nationale De Paris
The Chamical Bank of New York,
Bengo di Rome,
Commerzbank AG, Frankfurt
Drascher Bank
Contractor Bank esterdem Rotterdam Back (AMRO Bank) Am

MERCHANT SECURITIES LIMITED es the Merchant Secunties Ltd., a stock-broking firm with a

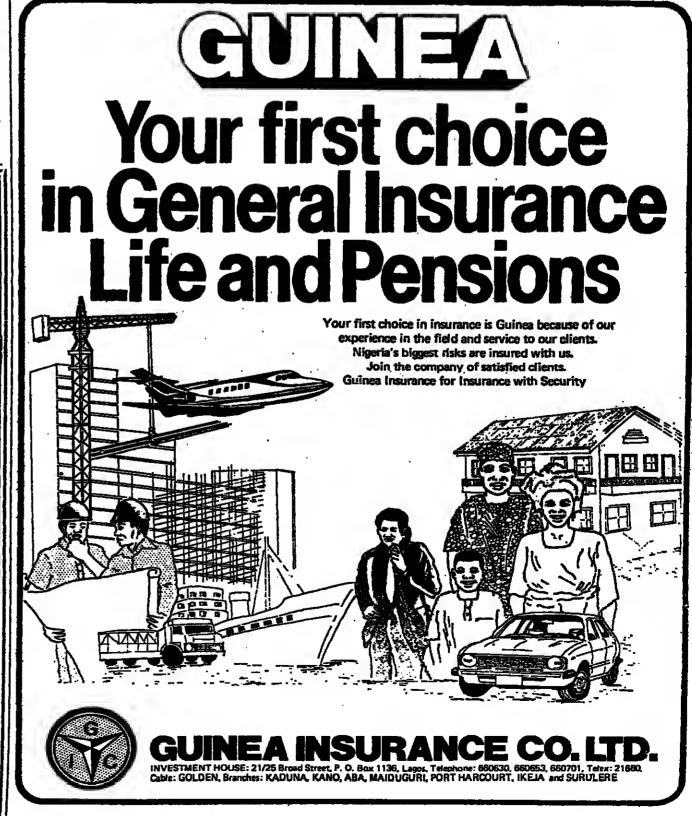
CONTACT US AT:

3 Azildwe Road Port-Harcourt

------

LAGOS P.O. Box 2413 Lagos

Telephone: 216886 and 217870



### **NWPC** keeps depression at bay

#### **Textiles**

PETER BLACKBURN

THE ANONYMOUS white-washed walls of the Nigerian Weaving and Processing Com-pany's (NWPC) factory on Lago's lupeju industrial estate give no hint of the specialised modern machinery within.

As managing director Mr Abdul Sattar Debs proudly leads the way one is struck by the empty space and lack of people

"Four years ago we invested N8m in new machinery. It was expensive but quickly paid off," explains Mr Debs. The new, mainly Swiss, machinery took up far less space and required much less labour reducing costs and resize productivity. and raising productivity.

Mr Debs, who studied textiles in Bolton, adds: "If import in Bolton, adds: "If import licences are granted we plan to invest a further N1.5m." Spinning capacity would be raised by 50 per cent and weaving by 33 per cent with the addition of 10 looms.

#### Productivity up

NWPC has e weaving capacity of 3.6m metres e year and a processing capacity of 1.4m metres a year. The factory is presently running at 60 per cent capacity compared with a national average of about 35 per

"We do better than most as we also process grey cloth. This is less profitable but it helps to maintain turnover," explains

Mr Debs.
Against e generally depressed national industrial background NWPC provides an example of a small but profitable inte-grated textiles mill where pro-fits have been reinvested to modernise and raise productiv-

religious and other ceremonies. Customers bring their own designs and the minimum order

Despite raw materials and supply constraints Nigeria offers a huge potential domestic omers a nuge potennal comestic market, according to a recent study by the United Nations Industrial Development Organi-sation (UNIDO). Current per capita consumption is estimated et 1.5 kgs per year of which over half is imported.

Egypt, with a per capita income less than half that of Nigeria, consumes three times as much textiles.

Investment needs are relatively modest and are mainly required to increase the supply of cotton, machinery and spare parts (see separate article).

Like other companies NWPC has had to invest in its own power supply. "Normally it is cooler in the spinning mill but we are running on our standby generators and have to switch the air conditioning off," explains Mr Debs. NMPC has three generators totalling 12,300 ky installed in 1982 for a cost of NO.5m. a cost of N0.5m.

"Here in Ilupeju we are relatively lucky using standby power only 20 per cent of the time in the past year," he adds.

Last year sales rose by 40 per cent mainly due to a sharp increase in prices which far outstripped higher raw material, labour and other costs. Prices dipped towards the end of last year due to an npsurge in smuggling but are now rising

Nigerians have a natural inclination towards exotic, luxury fabrics and an estimated 200m metres used to be smuggled in before the borders were closed in early 1984. A substantial amount continues to be smuggled in the continues to the smuggled in the continues to the smuggled in the smuggled i



Mr Abed Debs (above), managing director of the Nigeria Weaving and Processing Company: hard pressed to keep up with the demand for fabrics. Right: an operative atteods to one of the company's frame spinning

The workforce has been practically halved and there are now only two expatriates compared with nine a few years ago. "All our departments, except for spinning, are now headed by Nigerians," Kr Debs points out.

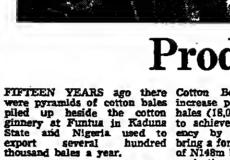
"We just can't produce enough to meet local demand," he adds. Difficulty in obtaining import licences means that NWPC is unable to obtain sufficient raw materials supplies. All the fibres and filements and 80 per cent of its dyestuffs and chemicals are imported.

#### Confidence

Prospects for 1986 are uncertrospects for 1986 are uncertain with the first import licences due to be allocated soon. There is also concern that demand may drop later in the year due to a decline in consumer purchasing power as a result of salary cuts and the inflationary effects of the budget

ity.

NWPC is 60 per cent owned by the Lebanese Debs family who arrived in Nigeria more than 50 years ago. The factory produces material for shirts, safari suits, uniforms, foam cover and speciality prints for



Now the pyramids have practically disappeared and last year about 300,000 bales were year about 500,000 bales were imported for the local textiles industry. Decline set in when cotton producer prices started to lag behind those for food crops, according to an agricultural economist. Periodic drought inflated food prices while e corrupt and inefficient marketing system adminstered by the Nigerian Cotton Board further discouraged farmers. Drier weather conditions also

necessitated the development of more drought resistant cotton varieties at a time when seed quality was deteriorating due to the lack of proper selec-

tion after each erop.
However it seems that the long period of decline may soon be reversed as the shortage of foreign exchange prompts the government to insist that the

FIFTEEN YEARS ago there Cotton Board has plans to were pyramids of cotton bales increase production by 100,000 piled up heside the cotton hales (18,000 tons) a year so as mery at Funtua in Kaduna to achieve national self-sufficient and Nigeria used to ency by 1990. This would port several hundred bring a foreign exchange saving of N148m based on 1986 import Now the pyramids have practally disappeared and last Textile Manufacturers Associated

> In order to achieve this target names are being asked to con-tribute towards the cost of a cotton rehabilitation pro-gramme. The larger textile companies are expected to con-tribute N50,000 annually.

finance the research programme of the Institute for Agricultural Research, the provision of new high breed seedlings and the restructuring of the cotton marketing system.

cotton fibres locally, textile manufacturers are elso of spun yarn and filament varn are forecast at N71m and filament yarn N94m in 1986. In order to achieve this

the next five years. The inves ment programme assumes that fabric manufacture will be frozen at its present level of

government makes sufficient foreign exchange available to the investment pro-

materials such as colours and chemicals, spares and polyester



BERGER—the Paintmakers are the largast and most technologically advanced paint manufacturara in Nigena. And worldwide, one of tha leading giants in the paint industry through affiliations with Berger, Jenson & Nicholson Limited London and Hoechst AG.

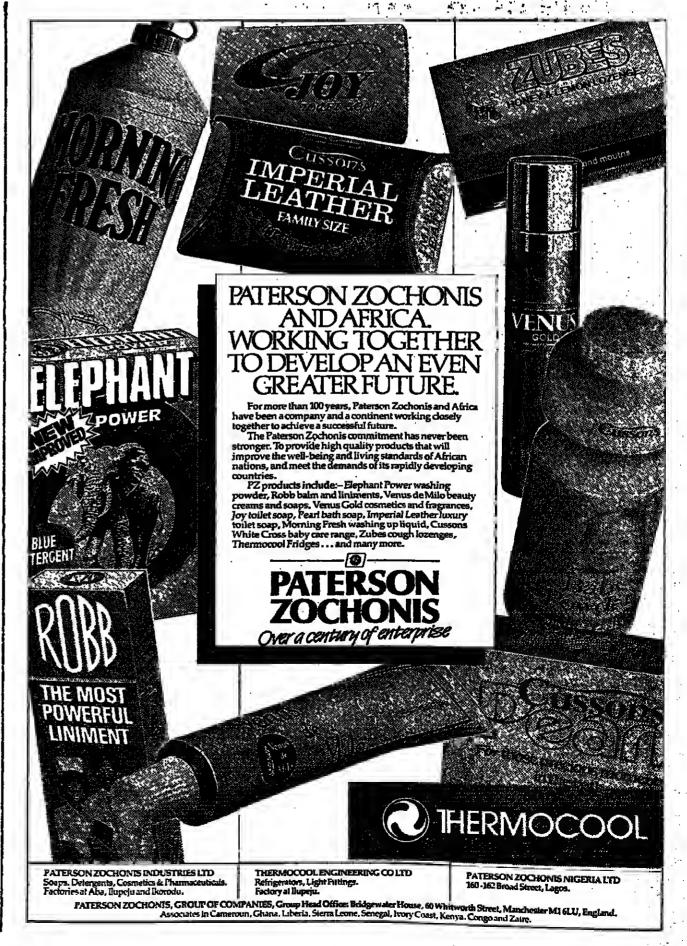
For more than 25 years BERGER the paintmakers have been contributing to virtually all aspects of Nigaria's industrial growth. Our touch of excellence is evident everywhere in industry and on buildings of every kind. We provide beautiful finishing, protection and safety with a variety of sophisticated paint systems. Our pro-

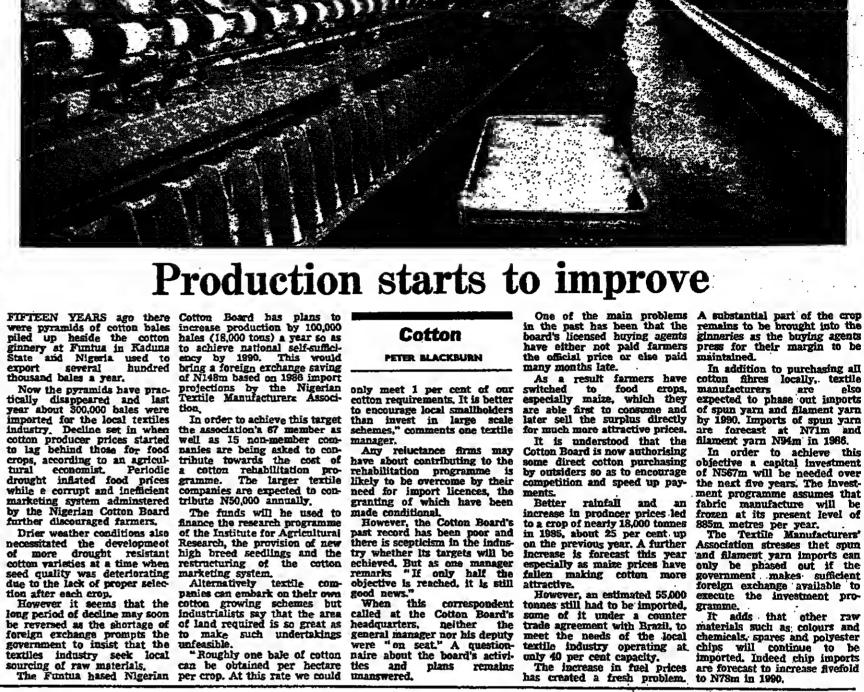
duct innovations like LUXOL and Fire Retardant TEX-COTE ara made to the highest quality standards.

Our continued high pramium on research ansures that our paints are mora than just paint but advanced technology packed into avery can.

With two ultra modern factorias in Lagos and Port-Harcourt, a joint production capacity of 25 million litras of paint a year, and over 500 amployees, BERGER PAINTS continue to strive towards the development of a strong and virila economy.

BERGER
-the Paintmakers World-wide leaders in Paint Technology





### New boost for rural projects

"WE HAVE trimmed down and put on our survival suits," says the managing director of one of the country's leading construction companies.

completion of existing projects. Few new jobs will be created end more firms may heve to close," says the president of the Federation of Building end Civil Engineering Contractors, Mr Emmanuel Olowo Okere.

The reduction of petroleum subsidies and the imposition of a 30 per cent import levy will increase construction costs olready affected by the creeping depreciation of the naira, he

Most firms have already sold off a lot of plant and equipment. workers. It will therefore be difficult to introduce further cost saving measures in order-to maintain profit margins.

Construction companies continne to carry a heavy naira debt burden of some NL2bn owed by federal and state governments and parastatals. Several large contractors ore reportedly owed nearly N100m

The Government has failed to respond positively to e proposal made by contractors early last yeer to reschedule the naira debt with freely discounting able interest bearing promis-sory notes. It was only pre-pared to offer notes without interest and discountable once

Some contractors have, bow-ever, noted improved payments by the Federal Government, notably the Ministry of Works and Honsing. But there has only been a trickle from the state governments.

. "Some are trying to reschedule the rescheduling. At the present rate it will take them over 30 years to repay," complains Mr Olowo Okere. Some companies have long ceased working in Nigeria and only maintain offices in Lagos in order to try and recover their

A few companies chose to

Review of

projects

PETER BLACKBURN

A NEW APPROACH to tackling corruption is being tried by the Military Governor of Niger State, Lt Colonel David Mark.

Taking his cue from President Bahangida, who recently held a national debate on the IMF issue, he has asked the

people of Niger State—one of the country's poorest—to dis-cuss the future of a controver-sial N99m water supply con-

Five years after the contract was awarded to Britain's Biwater Shellabear, only five of 45 scheduled boreholes have been drilled but the scheme has

the headlines when the chairman of Fougerolle Nigeria, Mr. Aye Shasanya told a special tribunal that N22m had been

at the Ajaokuta steel complex. The disclosure surprised no-one—though the sum involved may bave raised a few eyebrows

may bave raised a rew eyentwas

as kickbacks were common
during the civilian regime.
Since the military took over at
the end of 1963 they have
become far less frequent partly
due to increased vigilance but
also to a sharp decline in new
contract awards.

contract swards.
Relatively few projects have

e lot of people on ell sides would get scalded," confides one

Big spending

ing e lot of money on projects," says an observar.

The biggest project likely to

run out of funds.

"

.

-.Y.

, ÷ :**≜** ,7

**som** 

The Federal Government has indicated that there are no funds available to start new projects and despite some spending by state governments—notably Lagos—and the private sector, 1986 is likely to be another extremely difficult year for the construction industry.

#### **Building and** civil works PETER BLACKBURN

and Bouyges on the Igbin power station near Lagos. "It doesn't help abandoning contracts," says Julius Berger Nigerie's contracts manager Mr Carl-Heinz Stoecker. Berger, the country's leading construction company, is currently working on eight contracts worth N850m.

"We expect to maintain turn-over this year though profits will be squeezed," says Mr Stoecker, Berger is one of the rare construction firms still reporting profits. Some hope for the debt laden

firms was provided in the budget where President Babangida spoke of the need to reduce the naira debt and repayment through the bond market. However, there is perplexity in the industry as to what this

**Emphasis** 

In addition to completing projects, President Babangida says that the accent will be on "repairs, maintenance and rehabilitation," rather than the mere "replacement" of fixed

assets.

He complains of the "high costs, incompletion and poor maintenance" of government and infrastructure contracts and urged that completed projects be made to work efficiently.

He adds that projects which He adds that projects which increase national self-sufficiency and diversify the economy, beyond the such as the petrochemicals, trol such liquefied natural gas and agricultural schemes, will be pursued with "renewed gloom and the such as the pursued with "renewed gloom and the such as the such a

emphasis."
The 1986 capital budget

Nigeria 'too big

to stand still'

The refinery, due to be com-pleted within 34 months of the

contract's entry into force, will not only double the country's refining capacity but also pro-vide an exportable surplus.

foundation works.

infrastructure projects.

An Economic Rehabilitation Recovery Fund will provide N500m to finance educational, health and informal sector projects. This includes N150m for the repair, maintenance and rehabilitation of university

buildings.
Another N100m la reserved for hospital rehabilitation and N100m for the complation of three university teeching hospitals as well as the national eye clinic in Kaduna.

Rnral development is given priority in the 1986 hudget with an investment allocation of N491m—a specatcular increase on last year's N65m.

A lorge increase is also planned in the petroleum and energy sector where investment is due to triple to N400m. A similer lincrease is also planned in oducation with spanding rising to N442m while manufacturing is up 20 per cent to N248m.

Transport, especially roads, continues to be an important sector with an allocation of N418m. And despite financial constraints the Military Government bas maintained its com-mitment to the Abuja Federal Capital and Ajaokuta Steel projects with unchanged alloca-

projects with unchanged alloca-tions of N200m and N358m respectively.

The continuation of these and other major projects criticised as "uneconomic" and "nopro-ductive" suggests that the much discussed Onosode bad little impact. sed Onosode report bes The report, prepared by the budget adviser to ex-president Shebu Shagari, examined over

600 projects requiring more than N30m for completion. On the other hand, the Government has followed tho report's recommendation not to start any new projects and to complete unfinished ones. There is also general confidence that understanding among western the budget will be more strictly export credit agencies to susimplemented though this mey peod medium and long-term be jeopardised by factors cover for Nigeria until it

In contrast to the general gloom and uncertainty Taylor Woodrow Nigeria believes that the construction crisis may heve allocation is practically un- "bottomed out." Managing changed at N5.9bn and includes director Derek Shepherd reports continue working after they almost 20 per cent for debt that his company has resumed encountered payments problems. Julius Berger kept going petroleum subsidy reduction is on the Ajaokuta Steel and the expected to free N900m to the Sokoto teaching hospital Abuja Federal Capital projects finance a 60,000 km rural roads

were reduced.

Taylor Woodrow recently signed a N5m road repair and maintenance contract in Abeo-kuta and expects to pick up

several more similar contracts in Lagos Stote and under the national road maintenance programme. "Although naire contracts, they help to maintain turnovor," says Mr Shepherd.

There is also plenty of private property devolopment end factory construction factory construction. schemes all Costain West Africa has re-

director Derek Smith. He adds thet there was still plenty of scope in the water supply sector if external financing can be

Three years ago there were ten British civil contractors active in Nigeria, but now there ore only two. The sharp decline is not just due to the contrac-tion of the Nigerian market, according to Mr Shepherd.

He believes that British companies do not benefit from the same amount of official support as thair French, Japanese, Italian and German competitors.

"UK contractors are not re-ceiving financial hacking. British officials ere too rigid and inflexible," complains Mr

guarantees towards the \$500m 4th refinery contract at Port Harcourt are seen as further indication of the collapse of an beyond the government's con-reaches an agreement with the trol such as e collapse in oil IMF on an economic adjustment programme.

argue that the project financ-ing was agreed in principla hack in 1983 before the credit sus-

pension started.

Another example cited by British contractors is the N200 million refinancing of Dumes and Fougorolle's civil works contracts at the Ajaokuta stee

complex.

Italian support for Impresit's \$131m Jibiya irrigation and \$84m Sokoto waterworks schemes also rankled British

Sumed work on the N126m There is also considerable changes between supply scheme in Oyo State after losing ECGD credit line offered in 18 months due to difficulties in 1981 has not been used. The obtaining import licences and foreign exchange.

The protect involving 800 true work by Printick propagations. There is also considerable frustration that the £300m, ECGD credit line offered in 1981 has not been used. Tha The project, involving 800 ture work hy British companies kms of pipework, treatment stations and reservoirs, should now be finished by the end of 1987, according to managing and if it can now be drawn to know the contractors want to know if it has been reallocated to other projects and if it can now be drawn

When Taylor Woodrow approached the ECGD to guaran-tee its share of the Hadejia irrigation schemo it found that "the ECGD didn't want to know er even quete rates." However, the French company BEC Freres was able to ebtain COFACE support for its portion

Although the ECGD has the biggest exposure among western credit egencies in Nigeria it is believed that more careful screening of projects and companies during the boom years would have prevented many of the problems faced today.

A British official in Lagos pointed out however, that Britisb companies rarely competed for the major construction contracts and so the ECGD found itself supporting smaller schemes. He edded that the ECGD was still prepared to rearrange and even supplement the financing of ongoing pro-

As for the Abuja credit line, it was only accepted by the Nigerian Government in 1983 and although it bas not been withdrawn it is, "in practice," tied to the IMF package.



Transacting Insurance business throughout the Federation of Nigerla

#### FIRE - ACCIDENT - MARINE

88/92 Broad Street, P.O. Box 944, Lagos Head Office: Telephone Nos.: 663526, 663356, 662245, 663214

Branch Offices:

2nd Floor, Broking House 1 Alhaji Jimoh Odutola Road Private Mail Bag 5122 Ibadan Tel. 411480

26 Zik Avenue Uwani

Private Mail Bag 1022

Gidan Dan Baskore (Ground Floor) 15C, Murtala Mohammed Way P. O. Box 541

Kano Tel. 621576

Plot 1502, Kashim Ibrahim Road G.R.A. Private Mail Bag 2257

Makurdi **Benue State** Tel. 33876



Tel. 253354

Enugu

1, Saidu Yabagi/Basso Road And also at: P.O. Box 1369 Minna Tel. 222688

14 Hughes Avenue Yaba, (with effect from June 1986)

Telegrams & Cablegrams LAWROK.

ADVERTISEMENT

### FIRST CITY MERCHANT BANK LIMITED

### A Nigerian Banker's Perspective

The international

There are signs for instance of a possible breakthrough in the \$1.2bn Escravos gas-gather-ing and Lagos pipeline project. Another scandal recently hit. The recent reduction in the headlines when the chair petroleum subsidies has helped to make gas competitive and rekindled World Bank interest in financing part of the project concerning the western gas-gathering system and construc-tion of a gas compressor station paid to senior members of the concerning sthering of Nigeria in connection with the award of a N329m contract at Warrl.

at Warri.

This might prompt the Italian export credit agency, Sace to help finance the construction of a 340 km gas pipeline from Warri to Lagos by Snam Progetti and Saipem.

Some progress is also being made on the country's largest project — a liquefied natural gas plant at Bonny in Rivers State. The project, involving the participation of Shell, Agip and Elf, has been scaled down to two production trains from to two production trains from four and the cost to \$5bn from

been reviewed er contracts re-negotiated. But if the military decided to take the ild off then S70n.
Efforts are presently focused on concluding marketing agreements and construction is not expected to start until 1988. contractor.

Despite military and public livestigations, critical review by the Onosode report and severe financial constraints work expected to start until 1988.

There are continued doubts about the financing of the \$2bn second phase of the petrochemicals programme. Ways are being studied of scaling down the scheme to fit forecast demand and evailable funds. Possible counter trade financing and spreading construction over e longer period are also being considered.

Meanwhile, talks ere underway to choose process techis progressing on e surprising number of projects.

"Nigeria is just too big to stand still even in a prolonged financial crisis it is still spendbeing considered.

Meanwhile, talks ere underway to choose process technology for the nine units plonned in phase two. Five companies have been shortlisted for the initial unit — e \$400m ethylene unit — and a contract could be awarded leter this year.

Phase one involving a \$550m heve complicated project and ret under way this year le the fourth refinery at Alesa Elemenar Port Harcourt. The French export credit agency, Coface is shartly expected to epprove the financing of Spie

Batignolies' civil works contract Phase one involving a \$550m heve complicated project and extension to the Warri and financial managemant.

Kaduna refineries is expected to be completed in early 1987. tripled since work began teo representing 45 per cent of the US\$ 500m contract. The French company, which received a letter of intent from to be completed in early 1987. tripled since work began teo the Nigerian Netlonal Pet. A contract for the final compears ago and at least another roleum Corporation in November 1984, has already cleared was awarded to Japan's pletion.

the site next to an existing Chiyoda Chemical Engineering 88,000 b/d refinery and begun and Contruction Company, last

Process engineering is being supplied by Japan Gasoline Corporation with financing arranged by Marubeni. A financing egreement guaranteed by the Jepanese Ministry of Trade and Industry (MITI) was to resume work suspended for the refinery due to be com-

The Franco-Japanese financing agreement may hasten the collapse of an unofficial freeze by western credit agencies on Nigeria until it reaches an egreement with the IMF and able other stalled projects to

As a result of the delay the \$5bn plus integrated steel complex is now expected to be completed several years behind schedule by the end of 1989.

Meanwhile, the recent award of a \$144m contract to Japan's Machinel VIC Connent Florities.

Improved supplies for Nigerie's prolific newspaper industry will be provided following completion of a 100,000 t/vr newsprint paper mill and pulp factory et Oku-Iboku near Calabar. The UK's Parsons, Whittemore end Lyddon are technical partners with engineering by

One foreign bank has recently disinvested from

with a continue to the control of th The world of international int

country; and last but not least the margins available in the banking affiliate of banking business in Nigeria e leading US money centre are high compared with most bank. We are starting 1986 other countries. In addition to the attractive investment returns, an operating presence in Nigeria, enables an international bank to assist the affiliates of its multinational clients by providing them with local currency loans. This means it can extend financial assistance to its important cliants in a difficult market whilst avoiding cross border risks. This is an important advantage in today's international financial climate.

Verus even expertisation country; and last but not least on behalf of the Nigerian

> You are on record as wishing to attract a foreign bank as an equity partner. Is this still the



#### FIRST CITY MERCHANT BANK LIMITED

PRIMROSE TOWER, 9th — 10th Floor, 17A, Tinubu Street, P. O. Box 9117, Lagos. Telephone: 685944 — 52 (9 Lines) Telex: 22912 22913 Fecity Ng.

### Eating out can be fun

### **West African**

food PATTI WALDMEIR

"BUSHMEAT is sweet," says my Nigerian driver approv-ingly as I choose my supper ingy as I choose my supper from among the smoked carcasses of grasscutter (squirfel), antelope and wind-fowl which leer at me from blackened sockets while I haggie with their owners over

No sooner had we pulled off the dusty Ibadan Lagos expressway than we were thronged by a chattering crowd of eager readside vendors thrusting their wares — gutted bush animals spread-eagled on a frame of

spread-eagled on a frame of sticks and smoked over an open fire—through the open window of the car.

After parting with the sum of N50, a price which my driver, Mr Samuel Sholoye assured me was "reasonable," I settled down in the back of the car with a 5-lh grasscutter. the car with a 5-lh grasscutter and a couple of wild birds for the one-hour trip back

to Lagos.

A few hours later, my host'e steward served up my companions in a succulent "Egusi" soup, made with the rich red palm oll which is the base of most Nigerian dishes, spinach-like green leaves, ground melon seeds—and rather more flery red peppers than might have been thought advisable.

Nigerian food, spicy, rich and exotic, provides a culinary experience not to he missed by those who can combine an adventuresome palate with a

dventuresome palate with a fairly resilent lower intestine. By fer the best setting for one's first experience of egusi soup and "eba" (a thick porridge

of ground cassava) is the home of a Nigerian friend or husiness colleague, where due restraint can be exercised on the pepper content of the

soup.
For the expatriate businessman who is lineky enough to be staying at a company guest bouse, rather than a hotel, the house steward may well be able to knock together some Nigerian "chop" if pressed, although he may prefer to display his talents

at European cookery.

Paradoxically, Lagos restaurants are just chout the last place to go for Nigerian food, although there are a couple of exceptions. The "Museum Kitchen" at Lagos' National Museum provides e highly-recommended traditional lunch service et its open-air thatched pavilion which has thatched pavilion which has a handy souvenir shop

nearby. Top of the line is the Nigerian op of the line is the Nigerian restaurant et the new Shera-ton Hotel, near the airport, which serves dishes favoured by each of Nigeria's main tribal groupings, the
Yorubas, Ibos, and the HausaFulani—at prices which
would buy a fair amount of

amoken anterope.

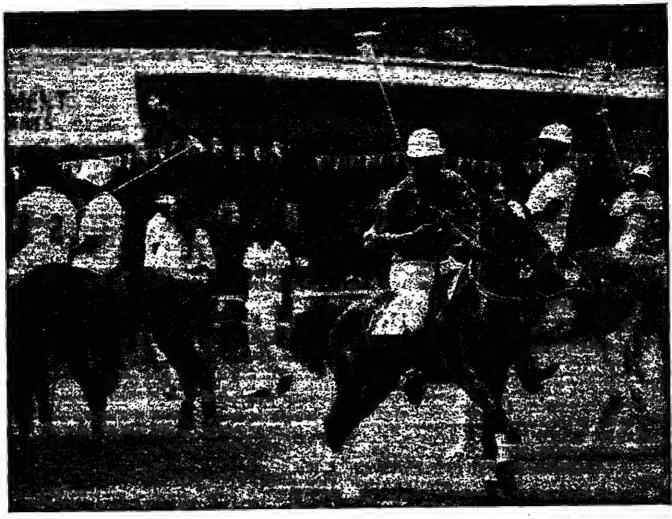
And each of the hotels offers
a Nigerian "dish of the day"
—such as "jollof rice," e
kind of spicy risotto, or egusi soup and the ubiquitous "pounded yam"—which can provide a rather sanitised version of the flery originals.

Unfortunately, they lack etmosphere. Twenty-five-year-old Mr Taofiki Twenty-five-year-old Mr Taofiki Balogun has made sure that the same cannot be said of bis new open-air establishment "Bubbles Bar and Restaurant." almost directly opposite the US Embassy on "Five Cowry Creek" which seperates the posb Victoria Island suburb from equally cushy South-West Ikoyi. "Fiki" eventually plans to lay on live music and boxing, along with e range of Nigerian dishes from bis spotless kitchen. Nonetheless, he has already attracted a large, mainly expatriete

large, mainly expatriete clientele who enjoy an ice-cold Nigerian lager after a boet trip to the fashionable Tarkwa Bay beach (Fiki also handles the boat hire), or the cool hreeze of a February evening

evening
No less lacking in atmosphere
is "Julie's Bar," also on the
creek, off Ozumba Mbadiwe
Road, Victoria Island, where
languid Lagos girls share
their tables with lonely expartietes. patrietes.

And those who can obtain an invite to the popular Ikoyi Club or the pictureaque, Polo Club (described elsewhere in this survey), should not fail to try some "suya"—origin-ating in the North, suya con-sists of meat kebabs rolled



in a delicious mixture of hot red peper, groundnuts and ginger and harecued over an open fire.

But for a real experience of Lagos life, there's nothing to beat the local "bukka"—or "bukka-terie"—the rudimentary eating-houses, sometimes no more than shacks, where everybody from civil ser-vants to mechanics can obtain a hearty and nourishing lunch for around N2.

My trusted driver, Mr Sholoye, after due bomage to the castiron nature of my stomach, nonetheless has always tried to dissuade me from visiting the local hukka, fearing that I might feel uncomfortably

solution - take-away pounded yam and goat meat stew from the bukka, purchased for me by the incon-spicuous Mr Sholoye—may not appeal to those who do not find their appetite whetted by an element of

### Polo chukkas recall an era

drifts across the green turf of the Lagos Polo Club to the verandah of the club-house where members and guests relax, drinks in hand, on a

muggy Sunday afternoon, Nearby the Nigerian Police Band, resplendent in hraid and epaulettes, white jeckets and blue trousers, plays e selection of airs between the games. Southern girls eye the aristo-cratic borsemen from the north, army officers mingle amiably with civilians, and greaters amble with civilians, and grooms amble hetween the stables and the

This is the start of the annual Lagos Polo Tournament and over the next 10 days teams from Lagos, Kano, Kaduna, Jos,

THE THWACK of mallet on including what was once named ball and the thud of booves the Kaiser Wilhelm Cup (now the Independence Cup).

It goes back to before the 1914-18 War when teams from Nigeria and the then German Cameroons played for the trophy awarded by Kaiser Wilhelm II.

Polo was first played in Lagos in 1904 but it was in the north that the game really took root. It was organised by British Army players and centred around Katsina, where the lete Emir and his sons became so proficient at the game that at one time the family could field a team with a handlesp of 22.

A team consists of four players, rate on a scale of one to 10, the higher the better. A Ibadan, Maidngurt, Sokoto, Zaria to 10, the higher the better. A and other centres will be com. five bandicap player is regarded peting for a dozen trophies. 25 very good indeed.

Manufactures industrial packaging

Owns and runs a fleet of modern vessels for

trawling and fishing operations in Nigeria's

territorial waters. The company has recently started

plastic containers:

TRANS ATLANTIC SHIPPING AGENCIES LIMITED (TASAL):

The company is headquartered in Apapa, Lagos, with branches

exporting shrimps to the U.K.

Clearing, forwarding and shipping agency services.

in Port Harcourt, Kano and Warri,

**OFFSHORE TRAWLERS:** 

materials such as plastic injection moulded crates, crown corks, printed labels and

The Nigerian Polo Associa The Nigerian Polo Association was founded in the early. 1920s and the country now has tournaments—mainly in the north—throughout the year, often with an international character provided by guest players from Britain, Argentina, India and elsewhere.

On the field, Jos Dilimi and the Nigerian Army team have caught the spectators' attention.
An army shot goes wide: "I bope be shoots better than he plays," jokes an onlooker and his companions—several of them army officers—chuckle appreciatively.

A bell marks the end of the last chukka, and onlookers drift back to the bar or the restaurant where the lunch menu includes coq au vin or pounded yam and egusl soup.

### A towering leader's skill

Ahmadu Bello: Sardauna of Sokoto by John D. Paden (Hodder & Stoughton £4.95 paperback, £19.85 hard-back)

WHEN the Sardauna of Sokoto when the Sardauna of Sokoto entered party politics in 1951 at the age of 42, the leading politicians of Nigeria's then northern region were convinced that their region, although covering two-thirds of the country's area and containing the country area. over half its people, was threatened by political end even conomic domination by the two southern regions.

When he was assassinated in 1866 politicians in the southern regions were denouncing politi-cal domination by the north." cal domination by "the north."
It was the towering personality
and political skill of the Sardeuna, first and only premier
of the northern region and
leader, though not founder, of
the Northern Peoples' Congress,
which produced this reversal.

which produced this reversal.

He was assessinated by soldiers ettempting to seize the Federal Government, of which, preferring to consolidate his political base in bis own region, be was never e member, although it was led by his party. Twenty years later this blography—the first—was launched in the former regional capital, Kaduna, in e stadium crowded with people determined to do him reverence.

him reverence.
It is impossible to understand Nigeria without understanding him; and this hiography by an American scholar (be himself published an autobiography in his lifetime) seeks to analyse his leadership and bis influence.

particularly teachers of quality, for the northern region, and for years the only secon-dary school in "the north." Because of its elaborate foot-Southern politicians were to notes, which contain, for ex-see the school as a citadel of ample, prefiles of many privilege as it produced so politicians. Nor is it easy d yam and egust soup.

Michael Holman

many who were to become prominent in federal and regional affairs. But to the Sardanna it

As we grow from strength to strength, the Inlaks

Group strives even harder for a better tomorrow.

LAGOS P. O. Box 2173, Iddo Railway Compound, Lagos

Tel: (01) 800410-19 Telex: 26467 Cable: AZAD LAGOS.

23 CHESHAM STREET, LONDON SWIX BNQ

P.O. Box 4610, Iganmu Industrial Estate, Lagos.

GENEVA P.O. Box 145, 1211 Geneva 20 CIC

Tel: (01) 835575/835509 Telex: 26763.

Tel: (44-1) 245-9522.

Cable: SONABREW LAGOS.

Tel: (41-22) 341950

INLAKS

was a sign that the educa-tional inferiority, which alone allowed southerners to allowed southerners to dominate his region, could and

would be overcome.

Bebind the Sardauna's life, Bebind the Sardauna's life, however, the driving force was his religion — the Sultanate is above all a religious office. Towards the end, Professor Paden suggests, religion became more important to him than politics— though not administration, which he never neglected. That is when he undertook "conversion campaigns."

sion campaigns."
Internationally, too, the Sardauna played an important rule in Islamie affairs, becoming in Islamie affairs, becoming vice-president of the World Islamic League. He wanted Nigeria to enjoy in the Islamic world the respect West Africa had once known. Yet, apart from his disquiet at Nigeria's recognition of Israel, he avoided Arab politics.

He triled perhens, to recognition of the state of t

He fisiled, perheps, to recog-mise the extent of his own achievement in advancing his achievement in advancing his region, and the inevitable reaction on the part of politicians in the south to its numerical political domination of the federation. He had strong opponents in his region, but to his southern political adversance his command of the reaction of the reaction. saries his command of the re-gion and so of the federation,

appeared permanent.

Although be never concealed his dislike of Lagos and its mobs, he was on good personal terms with politicians of all persuasions, was always approachable and was concerned with the preservation of parliamentary practices. But while liamentary practices. But while as Professor Paden shows, he was anxious to reform the ob-vious deficiencies of the tradihis leadership and his influence. The Sardanna was an aristocrat descendant of the founder of the Sokoto Caliphate, grandson of a Sultan (his own title was bonorific, bestowed by the present Sultan) and himself a candidate for that office, the ment conducted local government illustrious traditional only saw him, unjustly, as chambered in West Africa. Only saw him, unjustly, as chambred in 1959) was educated at privilege; lesser men saw his Barewa College, dekigned by the British to produce leaders, particularly teachers of guality, for the northern region, With almost 800 pages the

With almost 800 pages the reading.

David Williams

